



Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Need for 'New International Order' Outlined

HK0708012791 Beijing SHIJIE ZHISHI in Chinese
No. 14, 16 Jul 91 pp 2-3

[Article by Fu Yaozhu (0265 5069 4371): "Push Forward Progress of World History"]

[Text] The formulation of establishing a new international order is not artificial or a subjective idea of a few statesmen. It is the objective requirement of the development of the current international situation and reflection of the complicated struggles that occurred in the replacement of a new for the old following a change in the structure of international relations.

Two Changes Following War

In the nearly half a century following World War II, two major changes took place in the structure of international relations. The first one took place during the late 1950's and early 1960's, starting from the national liberation movements and confrontation of the two camps established after the war, and shifting to rivalry between the two superpowers for global hegemony and the worldwide struggle against hegemony. The second change has taken place today, that is, a change from rivalry between the two superpowers for hegemony to multipolarization and diversification during the late 1980's and early 1990's. The depth and influence of the current change have surpassed the former. As a result, the Yalta system and the cold war situation which took shape after the war disintegrated and came to an end.

In the short period of only a few years from the late 1980's to the early 1990's, a series of major international events, which affected the overall situation, took place. An agreement was reached on abolition of intermediate range missiles through U.S.- Soviet dialogue. Progress was also made in the talks on reduction of strategic nuclear weapons, and relations between the United States and the Soviet Union relaxed. Following that, the Soviet Union withdrew its troops from Afghanistan, the civil war in Angola ceased, the settlement of the Cambodian issue took a favorable turn, and the hot regional problems cooled down. It was universally acknowledged that mankind would smoothly enter the 1990's. However, the actual evolution of things is usually complicated. When relations between the East and West tended to relaxation, drastic changes took place in East Europe. Germany reunified the country by merging the East part into the West and thus had to change the political map drawn after the war. Then crisis erupted in the troubled Gulf. So, U.S.-Soviet detente did not bring peace to the world. These major international events show that profound changes have been effected in the old structure characterized by fierce rivalry and sharp confrontation between the two superpowers.

Connotation of Change of Old Structure

The connotation of the change of the old structure has two meanings: First, the long-term struggles between the United States and the Soviet Union relatively weakened the strength of both sides, and the hegemonist acts encountered extensive opposition and resistance, which prove that hegemonism does not work. As pointed out by Comrade Deng Xiaoping during a meeting with foreign guests in October 1988, "the hegemonists must take back the hands which they have stretched out." To dominate the world and seek nuclear superiority, the two superpowers developed nuclear arms over the past decades by exceeding their national, financial, and material capacity, resulting in one surpassing the other in turns, ill-directed expansion of their nuclear arsenals, and each side having multiple capacities to destroy the other. The nuclear race has threatened the entire world, and the two superpowers have met with worldwide opposition politically and morally. The huge military spending for the nuclear race has impaired the economies of both sides. The position of the United States has dropped drastically among the Western economic powers. The United States is beset with high deficits, debts, and other difficulties. The situation of the Soviet Union is even worse. To rival for nuclear superiority, it had to pay a cost higher than that of the United States. According to rough estimates, the Soviet Union's annual military spending accounted for an average of 12 to 14 percent of the year's national income (around 6 to 7 percent in the United States). The militarization of the national economy resulted in the grave consequences of a decline in Soviet economy and social crisis. It was against this background that both sides wanted to slow down their nuclear race and ease their strained relations. This gave rise to the change "from confrontation to dialogue and from tension to relaxation." There was also a relaxation in the hot regional issues.

Second, the strategic situation of both the United States and the Soviet Union in the above change was somewhat different. The Soviet Union took the choice of all-around retreat, making great concessions in the nuclear talks as well as regional issues for the sake of improving its external environment, concentrating on the settlement of domestic problems, and striving for initiative in the next century. This gave the United States an opportunity to perform actively on the international stage as the only superpower. Following the abrupt change in East Europe, the West gave enormous publicity to the "communist crisis," increased pressure on other socialist countries, and pursued their "peaceful evolution." Some people developed swollen heads because of the victory of the Gulf war and they wanted to act as "world police" again. The situation of the United States and the Soviet Union altered the balance of the old structure. When the old problems in the world did disappear, the problems concealed in the past cropped up and the new problems become more acute. The world has developed amid turbulence and the political situation is by no means tranquil.

With the real connotation of the changes in the current international situation well in hand, we can draw the following conclusion: The change in international structure from the 1980's to the 1990's is the result of the relative weakening of the superpowers and the setbacks in hegemonism, which is advantageous to world peace and development. Because of the imbalance of the polarized structure, there will be new development of various contradictions and hegemonism, an outcome of imperialism, will continue to stir up trouble in the new situation. We should heighten our vigilance against this.

Different From Past, Future

When the old structure is smashed, it is unlikely that a new one will take shape overnight. A comprehensive review of contemporary and modern history shows that a substitution of a new international structure for the old one takes place after sharp struggles and, usually, wars. As the current profound change is effected in a "smokeless" peaceful form, the change from the old structure to a new one will take a longer time. During this transition period, various international forces will continue to grow and undergo reorganization. Some uncertain factors remain to be clarified. All countries and various forces are studying countermeasures and readjustment strategies so the international situation will develop in a direction favorable to themselves and a new international political and economic order favorable to themselves can take shape. This will give rise to the concepts of new strategies, new tentative ideas, new theories, and new order. There are also various opinions on the prospects for world development. These ideas and proposals have the connotation of a profound class background and state interests. At the same time, the new concepts will be stamped with the brand of the long-standing traditional, hegemonist, and big power concepts. As a big socialist country, China proceeded from safeguarding the fundamental interests of the world people and proposed with a clear-cut position the viewpoint and tentative idea of establishing a new international order based on the five principles of peaceful coexistence. Based on the requirements of the objective situation, this is a struggle against hegemonism.

Chinese leaders have time and again proposed that the establishment of a new international order should include two parts: an international political order and an international economic order. In view of the concentrated expression of hegemonism, they proposed a series of principles which include: Nations, big or small, are equal; they should not meddle in the internal affairs of other countries; the affairs of a country should be managed by itself; world affairs should be handled through consultations by all countries; and international disputes should be settled through peaceful negotiations. These proposals exerted a positive influence and were well received worldwide. In the joint communique issued by China and the Soviet Union during General Secretary Jiang Zemin's recent visit to the Soviet Union, the parties and governments of the two

countries reaffirmed these principles and were ready to make concerted efforts with all countries to establish a new international order.

The victory in World War II was a milestone in the progress of human history following the October Revolution. If the smashing of imperialist domination and establishment of the first socialist country in the world are regarded as the great influence of a new era opened up by the October Revolution, the victory in World War II brought victory of socialism to many countries. Moreover, the national independence movement smashed the colonial system which lasted several centuries and gave rise to more than 100 new developing national independent countries. Premier Zhou Enlai spoke highly of this, believing that the "national liberation movements have become the main force of the current revolution.... This force should not be taken as supplementary." Zhou Enlai also stressed: "Revolutionaries should be good at discovering new factors in the development of things and have the courage to develop these new factors so that they can become a new force." The history of the decades following the war indicates that the world today is composed of three parts, that is, a diversified world where socialist countries, imperialist countries, and new developing national independent countries coexist. Although historic development cannot be smooth and despite the appearance of Soviet hegemonism among socialist countries, the evolution of the East European political structure, the debt crisis of the Third World, economic stagnation, and other difficulties, the long-term coexistence of the three types of countries will remain unchanged. This state of affairs will be maintained for a considerable period of time in the future. This is probably the regular historical stage for the transition from capitalism to communism.

Since the two different systems and three types of countries have coexisted for a long time, it is possible to establish a new international order to meet such a reality. This new order will be fundamentally different from the order of power politics and law of the jungle under imperialist domination and also be different from the order of great harmony when communism wins global victory. As early as the 1950's, China inherited and carried forward Lenin's thinking on peaceful coexistence and proposed the five principles of peaceful coexistence for state-to-state relations. The history of the past 30 years or so has proved that these five principles have greater vitality than hegemonism and group politics. Based on these five principles, China developed peaceful, friendly, and equal state-to-state relations with many countries. Most of the countries in Asia, Africa, and Latin America have accepted and followed the 10 Bandung principles established at the Asian and African Conference and based on the spirit of the five principles in developing South-South and North-South relations. The five principles, extensively accepted throughout the world as the norm for international relations, constitute a powerful weapon for opposing hegemonism.

First Signs of Development in 1950's

As early as the 1950's, Premier Zhou called on all countries to restrain each other with the five principles of peaceful coexistence and establish a supervisory system for peaceful coexistence in the world. This undoubtedly heralded the establishment of a new international order. As the two superpowers pursued global hegemonism and created confusion on earth, Premier Zhou's tentative idea could not be realized at that time. By the end of the 1980's, when the superpowers were suffering setbacks in their power politics and a change was being effected in the international structure, Comrade Deng Xiaoping once again proposed with great foresight the establishment of a new international order. This was a strategic policy decision. Because of the existence of imperialism and power politics, it was impossible to immediately put an end to the old international order focused on hegemonism. However, it was possible to restrain and contain all kinds of hegemonism. We should make our due contribution to the establishment of a new international order, unite and rely on the majority of the three types of countries, further weaken and check hegemonism, strive to bring about the establishment of a just and rational new international political and economic order conducive to peace and development of mankind, and push forward the progress of world history.

Changing European Situation Analyzed

HK0708060891 Beijing SHIJIE ZHISHI in Chinese
No 14, 16 Jul 91 pp 6-7

[Article by Chen Xuanwen (7115 1357 2429): "Changes in European Situation"—first paragraph is introduction]

[Text] Europe has shifted from a situation characterized primarily by military confrontation to one of contention for political influence. The decline of the United States and the Soviet Union's control over Europe has spurred on a process of polarization and has also intensified the development of various contradictions in Europe, ushering Europe into an eventful autumn.

Today, the acute military confrontation in Europe has practically come to an end. A reorganization and rearrangement of the different political forces in Europe has begun. As contradictions previously overshadowed by bipolar domination start to surface, and the respective interests of East and West Europe become intertwined with each other, elements of uncertainty and of the unknown have also multiplied. Once again Europe has found itself at a crossroads, confronted by a multitude of historic choices.

From the perspective of East-West relations, Europe will continue to move toward military detente but the struggle for domination in Europe will intensify politically.

Since the dissolution of the Warsaw Pact was announced on 1 April this year and the NATO heads of state proclaimed NATO's conversion from a military-political

organization to a political-military organization in the "London Declaration," military detente in Europe has become an established fact. In particular, the conclusion last year of the "Treaty on Conventional Forces in Europe" and the NATO-Warsaw Pact "Joint Statement" not only provided for a drastic cutback in the conventional weapons of the two sides, but also made it clear the two sides would "no longer be enemies," but instead, would establish "a new partnership." It was also stressed that the two sides would abide by the principle of mutual nonaggression in dealing with future disputes. This allowed for the perpetuation of the military detente. The implementation of the aforementioned treaty and statement will dramatically reduce the level of armaments in Europe, as well as expand mutual trust, so deepening the foundations of a military detente in Europe.

However, the military detente does not mean an absence of struggles in Europe from now on. On the contrary, the political struggles between East and West have become more prominent, focusing primarily at the moment on the struggle to gain supremacy in the Conference on Security and Cooperation in Europe. Looking at developments in the European situation, as the CSCE counts all the countries in Europe as members, with even Albania joining the organization recently, the organization will have a major influence in molding future structures in Europe. Hence, whoever becomes the principal spokesperson of the CSCE will play a decisive role in future European affairs. Judging by the situation at last November's CSCE conference in Paris, the Soviet Union, as a founding member, would like a prominent role in the CSCE. And while it has accepted some principles and ideas which are consistent with Western values and concepts in the establishment of a new European order, and while its concept of a "European family" does coincide in some ways with its proposed role for the CSCE, the Soviet Union, as a European power, will not easily give up its attempts to weaken NATO and reduce U.S. influence through the CSCE. Consequently, the CSCE merely served to raise the curtain on the struggle for European supremacy between East and West. Henceforth, a struggle revolving around this question will be launched between East and West on a broad scale and could possibly escalate into one of the principal issues affecting East-West relations.

Looking at Europe as a whole, West Europe is relatively stable, while East Europe will continue to experience a period of turbulence, which in turn, could cause certain shocks to West Europe.

At the moment, both West and East Europe have their own problems and troubles, but generally speaking, the political situation in West Europe is relatively stable, while the elements of turbulence have multiplied in East Europe, where the restoration of peace and calm is unlikely in the short term. As the communist parties in five East European states either fell out of power or changed their names, such drastic changes in the political structures have triggered new contradictions and

conflicts, the most prominent of which are serious economic troubles in some countries, a resurgence of ethnic separatism, rising violence in society, and unprecedented political turbulence in the postwar period.

Taking advantage of its relatively favorable position at the moment, West Europe has launched a political offensive against East Europe, using economic assistance as the principal means in order to speed up the process of "political democratization" and "economic liberalization" in East Europe and thereby expand its own influence in the region. The final objective of West Europe is to steer East Europe peacefully onto the path of Western value concepts. Naturally, prolonged unrest in East Europe does not accord with the fundamental interests of West Europe. The latter is concerned that the situation in the former could lead to more serious problems, such as historical disputes among nationalities in Europe, and "waves of refugees" caused by vast differences in living standards, problems which could disrupt stability and security in West Europe to a certain extent. However, the continuing process of U.S.-USSR detente is more in line with their long term interests. Hence, the expansion of this kind of turbulence will be affected and restrained by the larger climate of detente, and by political forces all over Europe, particularly the CSCE mechanism. Thus, it cannot possibly lead to East-West relations going into total reverse or to a return to the old ways of total confrontation between East and West Europe, as was the case in the early days of the postwar period.

Looking at the internal relations of West Europe, the process of integration has made further advances, but the issue of restraining Germany together will become the new outstanding issue affecting relations within the alliance.

After the Gulf war, West Europe became more keenly aware that the basic way out for Europe lies in promoting its joint strength. Hence, it stepped up the pace of integration. Aside from continued advances in the establishment of a single market within the EC according to original plans, new strides were also made in the creation of a political alliance. Recently, preliminary explorations were initiated on the possible establishment of joint defense for the EC. This shows that the process of integration in West Europe will be intensified further. But on the other hand, the reunification of Germany has produced a complicated effect on relations within the alliance. The future direction of Germany has become a common concern among West European states, all of which want to put Germany under joint supervision. A British diplomat has jokingly remarked: The objective of NATO was "to keep the Soviets out, let the Americans in, and keep the Germans down. If there is no longer any need to keep the Americans or to block the Soviets, then there is only the Germans to keep down." In effect, to many European countries, there are two main issues to be considered in the establishment of a future security structure in Europe: One, is how to prevent possible threats from the Soviet Union, and two, is how to make the future direction of Germany more consistent with the interests of other European countries. It may be expected that for quite some time in the future, a

complex struggle will be waged around the question of whether it will be a "European Germany" or a "German Europe," the outcome of which will decide the shape of Europe to a very large extent.

Looking at the influence and roles of the United States and the Soviet Union in Europe, the U.S. position as alliance leader has been greatly undercut, while the Soviet Union has lost its dominant role within the East bloc.

With the disintegration of the Yalta system in Europe and the drastic change in the situations in the Soviet Union and Eastern Europe, the foundation of the Europe-U.S. alliance designed originally to counter a Soviet military threat jointly, has also been shaken, while the U.S. position as alliance leader has been further undercut. Given these circumstances, the United States has to find a new way of becoming involved in Europe. The "new Atlanticism" which it proposes is an attempt to preserve U.S. strategic interests in Europe and maintain its political leadership over Europe through various channels (continuing the use of NATO, demanding the EC open to the United States, and expanding the CSCE's role). In November 1990, the "Declaration on EC-U.S. Relations" was published by Europe and the United States. The United States had wanted to turn the declaration into a new "Atlantic Constitution" to serve as the legal basis for future U.S.-Europe relations and preserve its hold over West Europe. However, not only did West Europe fail to satisfy this U.S. demand, but it basically threw off U.S. attempts to intervene in EC affairs. This shows that U.S. control and influence over West Europe is no longer the same as it was in the past, and in particular, it is now very difficult for the United States to intervene in purely European affairs. This will also move Europe-U.S. relations further toward the direction of "equal partnership."

Given its loss of East Europe, the Soviet Union also forfeited its previous right to speak on European affairs. At the moment, it is trying to expand its ability to interfere in European affairs by signing a series of treaties with major European states. Thus, generally speaking, the changes in the European situation have weakened the influence of the United States and the Soviet Union and promoted the process of polarization in the world. But at the same time, they have also intensified the development of various contradictions within Europe, ushering Europe, which had maintained relative stability under the old order, into an eventful autumn.

'News Analysis' Views U.S.-Soviet Summit

OW0608151491 Beijing Radio Beijing in Mandarin to Asia 0900 GMT 3 Aug 91

[“News Analysis: New Developments in Relations Between the United States and the Soviet Union as Seen From the U.S.-USSR Summit”; from the “Current Affairs” program]

[Text] Listeners and friends: U.S. President Bush paid an official visit to the Soviet Union from 30 July to 1

August. He held the third round of official meetings with Soviet President Gorbachev. This official visit differed from other U.S.-Soviet summits in that the main items on the agenda of the summit shifted from the problem of arms control to the problem of strengthening U.S.-Soviet cooperation in economic relations and regional issues. Public opinion in the West has called this meeting between the leaders of the two countries the first summit after the end of the cold war, which set the direction for U.S.-Soviet relations in the 1990's.

One of the achievements of the Moscow summit is that after 22 years of negotiations, both sides finally signed the first treaty on the reduction of offensive strategic weapons. In accordance with this treaty, the United States and the Soviet Union have agreed to slash their strategic nuclear arsenals by about 30 percent in seven years. However, this figure failed to reach the target of 50 percent as originally planned. The treaty stipulates that the number of means of delivery for strategic weapons of both sides be reduced from 2,000 to 1,600, and that of nuclear warheads be reduced to 6,000. The signing of this treaty marks the first time the United States and the Soviet Union have begun to slash their huge strategic nuclear arsenals.

During his visit, President Bush and President Gorbachev emphatically discussed the question of economic cooperation between the United States and the Soviet Union. President Bush announced that after he returned home, he would ask the U.S. Congress to approve granting most-favored-nation trading status to the Soviet Union. In addition to promising to grant the Soviet Union an agricultural credit of \$2.5 billion, Bush also signed five documents with the Soviet Union, including a protocol on technological and economic cooperation. At the same time, Bush also promised to help the Soviet Union's military industry to shift to nonmilitary production or to peacetime production. He also noted that the United States will step up support and assistance for the Soviet Union's reform.

On regional issues, the United States and the Soviet Union issued a joint statement on Middle East problem. As joint initiators, the two countries jointly proposed that a Middle East peace conference be held in October to seek bilateral and multilateral negotiations. It can be expected that in solving problems of regional conflicts in the future, the United States and the Soviet Union will strengthen consultations and coordination in applying the model of cooperation between the two countries during the Gulf crisis in handling hot spots in other parts of the world.

Public opinion in the West maintained that this Moscow summit laid a new foundation for U.S.-Soviet relations. In the words of Bush, the summit signaled the end of a long era in which the United States and the Soviet Union regarded each other as enemies, and the beginning of establishing a new partnership relationship. Henceforth,

both sides will cooperate in all issues, from arms proliferation to environmental protection. Nevertheless, differences between the United States and the Soviet Union on issues concerning Cuba; the Soviet Union's Lithuanian, Latvian, and Estonian Soviet Socialist Republics; and Japan's northern territories still exist. U.S. aid to the Soviet Union seems impressive but is only a small amount [feng sheng da yu dian xiao]. It seems that it is not easy for the United States and the Soviet Union to settle the issues left over by the cold war.

Roundup on Effect of START Treaty

HK0708050591 Beijing RENMIN RIBAO in Chinese
5 Aug 91 p 6

[Roundup dispatched from Washington by staff reporter Zhang Qixin (1728 075 2500): "How Many Strategic Arms Will U.S., U.S.S.R. Actually Reduce"]

[Text] On 31 July, U.S. President Bush and Soviet President Gorbachev signed the U.S.-Soviet Strategic Arms Reduction Treaty in Moscow. If the treaty is approved by the legislative bodies of the two countries and becomes effective, the United States and the Soviet Union will each reduce, over seven years, their three types of strategic arms delivery vehicles (land-based intercontinental ballistic missiles, submarine-launched ballistic missiles, and heavy bombers) to 1,600, and the warheads they carry to 6,000. Since the treaty has some special provisions, the actual amount of strategic nuclear weapons the two countries can possess will be more than the above mentioned quotas stipulated by the treaty. Therefore, the question of how many strategic arms the United States and the Soviet Union will reduce has become of concern.

According to data from U.S. papers and magazines and relevant research units, the treaty's provisions regarding numbers can be briefly analyzed as follows:

First, the 1,600 delivery vehicles provided for by the treaty refer to ballistic missiles, heavy bombers, and mobile missile launchers installed in silos and submarines. The Soviet Union will reduce its approximately 2,500 pieces by about 36 percent, the United States will reduce its 1,800 or so by about 11 percent, and the Soviet Union will reduce its heavy land-based SS-18 missiles by 50 percent, that is from 308 pieces to 154 pieces.

Second, the treaty provides that the total amount of each side's warheads is 6,000, of which warheads on land-based and submarine-launched ballistic missiles must not exceed 4,900. Accordingly, the Soviet Union will reduce these two types of missile warheads by approximately 50 percent (that is, from 9,405 to 4,900) and the United States by approximately 35 percent (from 7,506 to 4,900).

Third, the treaty has a special provision for counting bomber-carried cruise missiles. Those air-launched cruise missiles with a range exceeding 600 km carrying nuclear warheads are included in the warhead quota as provided by the treaty. Moreover, the warheads for

air-launched cruise missiles carried by each U.S. bomber are counted in quantities of 10 and each Soviet bomber in quantities of eight. But, in fact, each U.S. bomber can carry 20 cruise missiles and each Soviet bomber can carry 12. Furthermore, each side is allowed to install 880 sea-launched cruise missiles with a range exceeding 600 km and carrying nuclear warheads, but they are not included in the warhead quota. Accordingly, the United States can increase its air-launched and sea-launched cruise missiles from its current 1,967 to 2,740, and the Soviet Union can increase its from 780 to 2,180.

Fourth, the treaty also has a special provision for counting air-launched short-range cruise missiles and nuclear gravity bombs, by which each bomber is allowed to carry 20 short-range cruise missiles or bombs, but only one warhead is included in the quota. In this way, the United States can possess 2,720 short-range cruise missiles and bombs, and the Soviet Union can possess 960.

Exactly because of the two provisions mentioned above, although the warhead quota for the United States and the Soviet Union is nominally 6,000 pieces each, they can each possess more warheads than the quota.

United States & Canada

Zhu Rongji Meets San Francisco Mayor

OW0708040691 Beijing XINHUA in English
0251 GMT 7 Aug 91

[Text] Beijing, August 7 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with Dianne Feinstein, former mayor of San Francisco, and her party at the Great Hall of the People here this morning.

During their friendly conversation, Zhu briefed the U.S. visitors on the current economic situation in China.

Feinstein and her party began their tour of Beijing and Shanghai in China August 5 at the invitation of the Shanghai branch of the Chinese People's Association for Friendship With Foreign Countries. Zhu was former mayor of Shanghai.

Han Xu, president of the association, was present at the meeting.

Paper Notes Anti-U.S. Sentiment in Northeast

HK0708062391 Hong Kong MING PAO in Chinese
5 Aug 91 p 7

["Special Dispatch": "Many People in Changchun Believe China, USSR Should Unite To Counter U.S. Hegemonism"]

[Text] Since the outbreak of the Gulf war, a kind of anti-U.S., pro-USSR sentiment has surfaced quietly in northeastern China. In the city of Changchun in Jilin Province, many people interviewed by reporters have indicated that as the U.S. "global hegemonism" becomes

increasingly more evident, it is quite necessary for China and the Soviet Union to join hands for a second time and restore friendly ties.

Local sources maintained that after the Persian Gulf war, U.S. global hegemonism has risen dramatically, and the country has made a big issue out of the question of whether or not to grant most-favored-nation status to China. Hence, under these circumstances, China and the Soviet Union should unite as one to counter hegemonism.

Bilateral trade between China and the Soviet Union has grown rapidly in recent years. Local sources held that if China and the Soviet Union join hands a second time and restore friendly neighborly ties, this will not only constitute a restraint and check on U.S. hegemonism, but will also be of enormous help to overall economic development in China.

Fitzwater Announces Help for Baltic States

OW0708001491 Beijing XINHUA in English
2029 GMT 6 Aug 91

[Text] Washington, August 6 (XINHUA)—The United States will give special help to the Soviet Baltic states to promote trade under a new trade status the administration proposed last week, White House Spokesman Marlin Fitzwater said today.

Fitzwater said the administration "has decided to supplement the extension of MFN [most-favored-nation] to the USSR and the Baltic states with special provisions for the Baltic states"—Lithuania, Latvia and Estonia.

This "alters the longstanding policy of the U.S. of not recognizing" the Soviet incorporation of the Baltic states and U.S. support for their "legitimate rights."

President George Bush sent the Congress a trade agreement last Friday to give both the Soviet Union and the Baltic states most-favored-nation trade status.

"First, we will begin accounting for Baltic origin products separately from those originating elsewhere in the U.S.S.R. for trade statistical purposes," Fitzwater said.

"Second, we will also offer to the Baltic governments technical assistance in trade development and export promotion to improve our trade relations with them," he added.

While holding a summit with Moscow, Bush promised Soviet President Mikhail Gorbachev that he would manage to clear the way for granting the Soviet Union the MFN status in order to support its economic transition.

The U.S. Congress, which is now in recess, will consider the U.S.-Soviet trade agreement Bush will submit later this year.

According to a White House announcement, President Bush also began his vacation today at his summer home in Kennebunkport, Maine. He plans to return to the White House on September 3.

Soviet Union

Chi Haotian Meets Defense Minister Yazov

OW0708014591 Beijing XINHUA in English
0126 GMT 7 Aug 91

[Text] Moscow, August 6 (XINHUA)—Soviet Defense Minister Marshal Dmitry Yazov met with General Chi Haotian, chief of the General Staff of the Chinese People's Liberation Army, in the Defense Ministry today.

Chi Haotian is paying an official and goodwill visit to the Soviet Union.

In the talks in a friendly and cordial atmosphere, the two military leaders discussed the present military and political situation in the world and the stability and security problems in the Asian-Pacific region. They also exchanged views on the further development of the relationship between the armies of the two countries.

General Chi also held talks with Mikhail Moiseyev, chief of the General Staff of the Soviet Armed Forces today. The two sides briefed each other about their own Army build-up and exchanged views on the world situation, regional security and the promotion of friendly contacts between the two armies.

Yu Hongliang, Chinese ambassador to the Soviet Union, Major General Ning Wenyan, military attache of the Army, Navy and Air Force of the PLA, and all other members of the visiting delegation are also present at the talks.

General Chi and other delegation members also met leaders and academicians of the military academy of General Staff of the Soviet Army and Navy during the visit today.

Plans To 'Upgrade' Ties

HK0708020691 Hong Kong SOUTH CHINA
MORNING POST in English 7 Aug 91 p 12

[By Willy Wo Lap-lam]

[Text] The chief of staff of the People's Liberation Army [PLA] is leading a high-level delegation to the Soviet Union to upgrade military co-operation, including the purchase and exchange of technology.

General Chi Haotian and his delegation, which arrived in Moscow on Monday for a week-long visit, had talks yesterday with the Soviet chief of staff, General Mikhail Moiseyev, and Defence Minister Mr Dmitry Yazov.

Western diplomats in Beijing say the Chinese are anxious to send a message to Washington, which has yet to restore ties with China to levels before the Tiananmen Square massacre two years ago, that Sino-Soviet relations are about to take a leap forward.

General Chi is the first Chinese chief of staff to visit the Soviet Union.

The diplomats say the significance of the trip is also highlighted by the senior ranking of the other members of the delegation, including the commander of the Beijing military region, Lieutenant General Wang Chengbin, and the deputy commander of the Second Artillery Corps of the PLA, Lieutenant General Qian Gui.

The Second Artillery Corps is in charge of research and development of missiles.

A spokesman for the Soviet Defence Ministry said General Chi laid a wreath at the tomb of the unknown soldier before yesterday's talks, but gave no details on the topics of discussion.

General Chi's visit to Moscow comes after Mr Yazov made a ground-breaking trip to China in May and after Chinese Defence Minister Mr Qin Jiwei accompanied Chinese Communist Party leader Mr Jiang Zemin to Moscow later that month.

Diplomatic sources said arrangements for the sale to China of 24 Su-27 fighter aircraft had been fixed during earlier trips, and that the Chinese had taken delivery of some of the planes.

"General Chi is looking at the possibilities of upgrading co-operation in other areas, including the purchase of more sophisticated weapons and technology," a source said.

"The Chinese are particularly interested in Soviet help in modernising their outdated missile guidance systems."

A Western diplomat added: "The Chinese are very worried that (Soviet President) Mikhail Gorbachev is leading his country down the capitalistic road.

"They are very eager to cultivate the Soviet military, which has traditionally exerted a conservative influence."

China analysts say that at a time when Washington has yet to renew high-level contacts with the Chinese, Beijing is brandishing the time-honoured Soviet card.

The official NEW CHINA NEWS AGENCY called the Chi trip an "historic visit".

The agency quoted General Moiseyev's comments on the historical significance of the first visit to the Soviet Union by a Chinese military chief of staff.

General Chi said he was "very glad to come to the Soviet Union, the great neighbouring country, and to Moscow, the heroic city".

Russian Party Central Committee Meeting Ends

OW0708073791 Beijing XINHUA in English
0636 GMT 7 Aug 91

[Text] Moscow, August 6 (XINHUA)—A plenary meeting of the Russian Communist Party Central Committee ended here today after changing its first secretary and dismissing two members.

In a development that the TASS NEWS AGENCY said "may end discord between the leadership of the Soviet and the Russian communist parties," Ivan Polozkov resigned from the post of the first secretary of the Russian Communist Party.

Meanwhile, two members of the Russian Central Committee, Aleksandr Rutskoiy and Vasily Lipetskiy, who initiated the creation of a democratic party of Russian communists, were expelled from the party on the grounds of violating the party charter and splitting the party.

Polozkov was to be replaced by Valentin Kuptsov, who TASS said "will orient himself to the centrist course" pursued by Soviet Communist Party General Secretary Mikhail Gorbachev.

The meeting decided that the second extraordinary congress of the Russian Communist Party will be convened in December this year or January, 1992.

USSR Switching Military Industries to Civilian

OW0608150591 Beijing XINHUA in English
1351 GMT 6 Aug 91

[Text] Moscow, August 6 (XINHUA)—The Soviet Union has worked out five programs to switch the military industries of aviation, shipbuilding, space technology, telecommunication and energy to civil production.

Soviet First Deputy Prime Minister Vladimir Scherbakov briefed TASS reporters about the five-year programs for 1991-1995.

According to the programs, 7.39 billion rubles (about 268 million U.S. dollars) will be allocated for civil aviation research, experiment and design, in a bid to produce new-types of civil airplanes and helicopters worth of 22 billion rubles (800 million dollars).

So far over 600 defense industry enterprises have been engaged in the military-civil conversion.

The conversion has well cut down the country's military budget. Appropriations for purchasing weapons and military technology this year have fallen to 23.9 billion rubles (866 million dollars), a 29 percent decrease from those of last year.

However, Scherbakov said, the transformation will also bring about problems, especially unemployment.

Last year about 300,000 people were dismissed in the conversion, but only 228,000 of them were re-employed in civil enterprises. This year, an additional 380,000 people are expected to be sacked and nearly 70,000 of them will be out of jobs.

Soviet Official Notes Increase in Serious Crimes

OW0708013991 Beijing XINHUA in English
0113 GMT 7 Aug 91

[Text] Moscow, August 6 (XINHUA)—Some 1.5 million severe criminal cases were reported in the Soviet Union over the first half of this year, up 20 percent compared with the same period last year.

An official from the Soviet Interior Ministry announced today at a press conference that crimes involving the number of firearm increased by one quarter from the same period the previous year.

Over the past six months, 34,300 cases of robbery of railway transportation have been registered, the official said, adding that food and imported commodities are the main targets of the robberies.

Moreover, the number of apartment and car-driver burglaries has gone up 10 percent from last year.

Northeast Asia

Yuan Mu Comments on Kaifu Visit, Other Issues

CM0708142791 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 7 Aug 91 p 1

[XINHUA report by Chen Ming (7115 6900): "Interviewed by YOMIURI SHIMBUN, Yuan Mu Says China Welcomes Kaifu's Visit, and the Visit Is Important Event in Sino-Japanese Relations"]

[Text] Beijing, 6 Aug (XINHUA)—On the eve of Japanese Prime Minister Toshiki Kaifu's visit to China, during an interview with a reporter of Japan's YOMIURI SHIMBUN yesterday, Yuan Mu, spokesman for the Chinese State Council, welcomed Prime Minister Kaifu's visit to China.

Yuan Mu said: Prime Minister Kaifu's upcoming visit is an important event in the relations between China and Japan. The Chinese Government's attitude is that it warmly welcomes him to visit China. We are looking forward to Prime Minister Kaifu's visit to China. Through the further exchange of views between the leaders of the two countries, the friendly relations between the two countries will further develop in depth and in an all-around way.

He said: Further development of the relations between China and Japan is conducive to peace and stability not only in the Asia-Pacific region but also throughout the world.

Yuan Mu welcomed and appreciated the viewpoint that China and Japan have established "stable, solid, and mature good-neighbor relations," which Prime Minister Kaifu expressed when he met with a Chinese press delegation in Tokyo on 2 August.

He said: As a whole, Sino-Japanese relations have developed normally since the normalization of diplomatic relations in 1972. The two countries have gradually established fairly stable friendly and cooperative relations. There have been some setbacks during the past two years, but through the common efforts of both sides and in the spirit of the Sino-Japanese Treaty of Peace and Friendship and the Sino-Japanese Joint Statement, relations between the two countries have been restored and have further progressed.

Asked about the attitude of the Chinese Government toward the Japanese Government's resumption of loans to assist energy projects in China, Yuan Mu said that the Chinese Government welcomes the Japanese Government's move. The Chinese Government will actively cooperate in arranging construction projects and in the proper use of loans. This is conducive to both China and Japan.

Answering a question about Japanese Emperor Akihito's visit to China, Yuan Mu said that China's leaders have indicated they welcome His Majesty's visiting China at a time he deems convenient. If the visit materializes, it will play a positive role in furthering the development of relations between the two countries.

The Japanese reporter asked Yuan Mu: If the Japanese emperor visits China, will China's top [zui gao ji 2584 7559 4787] leader visit Japan next year? Yuan Mu said that next year is the 20th anniversary of the normalization of diplomatic relations between China and Japan. The celebrations planned by relevant Chinese and Japanese departments include the exchange of visits by leaders of the two countries and friendly exchanges in other fields. Both sides have reached a consensus on this. When China's State Councillor and Foreign Minister Qian Qichen visited Japan recently, he also reached an agreement in principle with the Japanese side. When the time comes, both sides will decide, after further discussion through diplomatic channels, which Chinese leader will visit Japan.

Asked about China's recent natural disasters and economic situation, Yuan Mu said: Although the flood disasters have affected China's agriculture, industry, and even the economy as a whole, China's national economy as a whole is developing in a satisfactory direction. In the first half of this year, China's gross national product increased 6.1 percent over the same period last year; its total industrial output rose 13 percent compared with the same period last year; the domestic market, prices, and financial work are stable; considerable increases have been registered in the volume of export-import trade; and it is expected that the national economic and social development plan will still be basically fulfilled by the end of this year. He said: Natural disasters have occurred in some parts of the country, and they are quite serious. Because of floods and droughts in some parts of the country, it has been estimated that about 10 billion kg of summer grain have been lost. At the same time, the floods and droughts will also caused a decline in the output of autumn grain. However, because China has

reaped successive bumper harvests during the past two years, the amount of state grain reserves has increased considerably. As the peasants also have some grain reserves, no serious problem will occur in the supply of grain in China. A large-scale famine will not occur. In his talk, Yuan Mu thanked Japanese Prime Minister Kaifu for his deep concern over China's natural disasters.

Wang Zhen Meets Japanese Buddhist Organization

OW0608153191 Beijing XINHUA in English
1136 GMT 6 Aug 91

[Text] Beijing, August 6 (XINHUA)—Wang Zhen, Chinese vice-president and honorary president of the China Association for International Friendly Contacts, met with Seiyu Kiriya, president of the Agon Shu of Japan, and his party here today.

Seiyu Kiriya, on behalf the Agon Shu, a new Buddhist organization, donated 10 million yen to flood victims in China and another five million yen to Chinese junior-level teachers.

Wang, on behalf of the Chinese Government and people as well as the 10,000,000-plus junior-level teachers, thanked the Agon Shu for their kind support.

Wang noted that the Chinese people are an industrious, brave and thrifty nation, and cherish a tradition of self-reliance and hard work.

The people, he went on, will surely overcome the difficulties brought about by the flooding and achieve the final victory over the disaster under the leadership of the Chinese Communist Party and the Chinese Government, and with the help of the people of various countries.

Wang, also president of the China Award Foundation for Junior-Level Teachers, stated that the Chinese people also have a fine tradition of respecting teachers and treasuring education, and the Chinese Government attach great importance to junior-level education.

The teachers engaged in these educational fields, Wang continued, shoulder the demanding task of training the nation's successors.

The Chinese Government has taken many measures to upgrade the social status of these teachers, and improve their working and living conditions, he said.

Spokesman on Transportation Pact With Mongolia

OW0708120491 Beijing Central People's Radio
Network in Mandarin 0930 GMT 7 Aug 91

[From the "National Hookup" program]

[Text] A Foreign Ministry spokesman announced in Beijing today that an agreement between the governments of the People's Republic of China and the People's Republic of Mongolia for Mongolia's passage to and from the seas and its transit transportation through China's territory was drawn up and initialed on 6 August

in Beijing after consultation between the delegations of the two countries. It will be forwarded to the representatives of the two governments for official signatures.

According to the agreement, the Chinese side will provide convenience for Mongolia's goods in transit to and from the seas through Xin Gang, Tianjin, and for its border transportation through China's territory.

Mongolian Government Faces Rising Unemployment

*OW0708001191 Beijing XINHUA in English
1450 GMT 6 Aug 91*

[Text] Ulaanbaatar, August 6 (XINHUA)—The number of the unemployed in Mongolia has reached 83,000 so far, a 170 percent increase over the end of last year, according to the Mongolian newspaper PEOPLE'S RIGHTS today.

The increase of unemployment, which makes up more than 10 percent of the total workforce in the country, is the result of streamlining in factories and government departments.

Meanwhile, a lack of job opportunities and emergence of new job-seekers have made the situation worse. During this year alone, about 38,000 graduates from various kinds of secondary schools have joined the army of the unemployed and none of them has so far found a job.

This has also led to the increase of excessive drinkings and criminal offenses.

Thus, the Mongolian Government is trying to resolve the problem by opening more small- and medium-sized enterprises, and encouraging self-employment and labor exports.

Southeast Asia & Pacific

Cambodian SNC Selects Secretariat Members

*HK0708033791 Beijing RENMIN RIBAO in Chinese
3 Aug 91 p 6*

[Dispatch by reporter Cheng Yuansheng (2052 0337 3932): "Cambodian Supreme National Council's Secretariat Set Up"]

[Text] Bangkok, 2 Aug (RENMIN RIBAO)—Newspapers here today report that the Secretariat of the Cambodian Supreme National Council (SNC) was set up recently. The secretariat consists of six persons, namely, Veng Sereivut, representative of the Sihanouk faction; Mak Ben, representative of Democratic Kampuchea; Pen Thol, representative of the Son Sann faction; and Sok An, Sar Sambat, and Chum Runrong, representatives of the Phnom Penh regime.

The Secretariat will hold its first work meeting at the former Cambodian Embassy in Bangkok on 18 June to prepare for the convocation of the SNC meeting scheduled for 26-28 June.

It is reported that a five-man delegation of the Cambodian SNC attending the UN General Assembly in September will be headed by Sihanouk and members including Khieu Samphan, Son Sann, Hun Sen, and Hor Nam Hong.

Liu Huaqiu Holds Talks With Kiribati President

*OW0608124191 Beijing XINHUA in English
0838 GMT 6 Aug 91*

[Text] Canberra, August 6 (XINHUA)—President Teatao Teannaki of the Republic of Kiribati said today that Kiribati would stick to the "one China" policy and would take positive measures for the consolidation and development of the bilateral friendship and cooperation.

President Teannaki made the remarks while he was meeting with Chinese Vice-Foreign Minister Liu Huaqiu today. The president expressed warm welcome to Liu's visit to Kiribati after the post-South Pacific Forum dialogue.

He also hoped that there would be increased contacts and closer cooperation between Kiribati and China so as to push ahead the bilateral relations.

Vice-Minister Liu forwarded to the president a letter from Chinese President Yang Shangkun, who said in the letter, "the friendly relations and cooperation between our two countries have attained satisfactory development in the past decade and more since the establishment of our diplomatic ties."

"We appreciate the strict observance by the Kiribati Government of the principles embodied in the communique on the establishment of diplomatic relations between China and Kiribati and its adherence to the 'one China' position," Yang said.

He believed that "the friendly relations and cooperation between China and Kiribati will be further consolidated and grow in strength."

President Teannaki offered his sincere thanks to President Yang for his letter. He asked Liu to convey his warm greetings and best wishes to President Yang. He expressed satisfaction with the smooth growth of relations between the two countries.

President Teannaki accepted with pleasure President Yang's invitation to visit China next year.

Vice-Minister Liu held talks with Secretary for Foreign Affairs of Kiribati Peter Timeon today. The two sides exchanged views and reached a consensus on Sino-Kiribati relations and regional and international issues of common concern.

Near East & South Asia

'Roundup' on Mideast Prospects After Baker Trip

OW0708075191 Beijing XINHUA Domestic Service
in Chinese 0830 GMT 6 Aug 91

[By XINHUA reporter Zhang Haiyan (1728 3189 3601):
"Roundup: Viewing Peace Progress From Baker's Sixth
Visit to the Middle East"—XINHUA headline]

[Text] Cairo, 5 Aug (XINHUA)—On 5 August, when
U.S. Secretary of State James Baker wound up his sixth
Middle East tour since the end of the Gulf war, he
somewhat optimistically stated: "Now the course which
may bring real and all-around peace to the Middle East
has started."

During his sixth tour to the Middle East he visited Israel,
Jordan, Morocco, Tunisia and Algeria. The purpose of
his visits is to strive for Israel's and the Palestinians'
consent to attend the Middle East Peace Conference
which the United States and the Soviet Union declared
will be held this October.

After "serious study," the Israeli cabinet agreed to con-
ditionally accept the U.S. plan on dual talks between
Israel and the Arab countries and between Israel and the
Palestinians.

Subsequently, Baker called for Jordanian King Husayn,
Moroccan King Hassan II, Tunisian President Ben Ali,
Algerian President Chadli, and a few other Arab leaders who
are very close to the PLO to mediate and talk the Palestin-
ians into both accepting the conditions of the United States
and Israel as well as attending the peace conference.

Israel's condition is that only those Palestinians residing on
the occupied West Bank of the Jordan River and Gaza Strip
attend the peace conference. Israel refuses to hold talks with
the PLO and Palestinians from East Jerusalem.

The PLO issued a statement on 1 August insisting that
Palestinian delegates attending the proposed Middle
East peace conference should include Palestinians
residing inside as well as outside the occupied territories
and East Jerusalem. On 4 August, PLO leader 'Arafat
stressed that a Middle East peace conference, without the
attendance of a delegation of the PLO and Palestinians
residing in East Jerusalem, cannot under any circum-
stances be a real peace conference.

Evidently there still exist major differences between the
Arab and Israeli side on Palestinian representation and
other issues. Although someone has put forward a com-
promise plan that those Palestinians residing in Jeru-
salem be represented by Jordanian citizens born in Jeru-
salem, it is still hard to predict whether or not this plan
can be accepted by the parties concerned. Therefore, the
obstacles to the convening of a Middle East peace
conference still remain to be eliminated.

The Arab countries call on Israel to observe UN Reso-
lutions Nos. 242 and 338 by withdrawing from all

occupied territories. "Land for peace." Israel argues that
after the Sinai Peninsula was returned to Egypt, Israel
completed what the UN resolution called for. Today,
only "peace for peace" is needed.

The Palestinian people want to establish an independent
country in the occupied territory, but Israel is only
willing to discuss the question of "limited autonomy"
with delegates of the West Bank and Gaza.

Syria calls for Israel to return the Golan Heights, and
Lebanon wants Israel to withdraw from southern Leb-
anon; Israeli Prime Minister Shamir has repeatedly
upheld "fighting for every inch of land."

The Arab countries are hoping that the international
community will exert pressure upon Israel, yet Israel says
it refuses to accept "any outside interference." It is
reported that the United States and Israel will sign a
memorandum this week. Israel calls for the United
States to guarantee that the UN Security Council will no
longer discuss the question of Arab-Israeli conflicts
during the period of the forthcoming peace conference.

According to observers here, the Middle East peace
course is still facing numerous difficulties. Even if the
peace conference opens, what in the world it will discuss
is still quite a controversial issue. This issue is much
more complicated and difficult when compared with
whether the peace conference can open or not.

Israeli Proposals Called 'Obstacle' to Peace

HK0708044191 Beijing RENMIN RIBAO in Chinese
5 Aug 91 p 6

["International Jottings" by Wang Shifang (3769 1102
5364): "Israel Has Really Given Much Thought to Matter"]

[Text] Pressured by the situation, and public opinion at
home and abroad, Israeli Prime Minister Shamir finally
announced his "acceptance" of the U.S. proposal for
convening a Middle East peace conference on condition
the PLO and the Palestinians in East Jerusalem are not
allowed to join. In other words, the PLO will be excluded
from the meeting.

After the end of the Gulf war, Arab states made efforts to
push forward the Middle East peace process and pro-
posed convening a Middle East peace conference. After
mediation by various parties, Egypt, Syria, Saudi Arabia,
Jordan, and Lebanon expressed their willingness to par-
ticipate, with only Israel refusing to clarify its stand. This
triggered criticism and condemnation inside the country
and abroad. THE NEW YORK TIMES pointed out: "If
Israel does not agree to talk, it may find itself isolated
and may lose all assistance." To prevent itself from
falling into this predicament, Israel expressed its posi-
tion, but the conditions it set made it hard to believe that
it will take the peace conference seriously.

As everyone is aware, the core of the Middle East issue is
the Palestinian problem. The international community

generally favors the PLO, the sole legitimate representative of the Palestinian people, joining the Middle East peace conference. It is hard to imagine that the Middle East issue can be solved fairly and eternally without PLO participation. PLO Chairman Arafat put it well: A peace meeting without PLO participation is insignificant. Although Israel has expressed its readiness to join the conference, what it has said and done is an obstacle to the convening of such a meeting. Recently, Egyptian President Mubarak said that Israel's unreasonable proposal on the composition of a Palestinian delegation had "made the issue more complicated." Obviously, if Israel's unreasonable demand is met, who can guarantee that it will not raise new issues and reach out for more?

Israel's move is designed to make a Middle East peace conference proceed under its conditions; otherwise, it will lay the blame on the Arab states if the conference fails. Israel has really given a lot of thought to this matter.

XINHUA Told No Changes in Iraqi Leadership

OW0608140891 Beijing XINHUA in English
1348 GMT 6 Aug 91

[Text] Istanbul, August 6 (XINHUA)—The current Iraqi administration under President Saddam Husayn will not be changed, the Iraqi minister of state for foreign affairs said here today.

In an exclusive interview with XINHUA, Muhammad Sa'id Kazim al-Sahhaf, the Iraqi representative to the current 20th Islamic foreign ministers' meeting, said the present Iraqi Government "will continue to lead the Iraqi people in overcoming the difficulties they are facing."

"We are suffering from shortage of foodstuffs and medical necessities due to the sanctions against Iraq," he said.

"At least certain parts of the sanctions should be lifted, but we are seeing that the United States and some of its allies are imposing more conditions for political reasons. This is unfair, unjust and is completely not in compliance with the U.N. Security Council resolutions."

On the U.S.-led Rapid Reaction Force deployed in southeastern Turkey, he said, "as long as they do not commit crimes against Iraq, we have nothing to do with that."

He said the force was not for the protection of Kurds in northern Iraq, as U.S. President George Bush claimed. "This is only a pretext, which they (the Western countries) want to use to cover the schemes," he added.

Bush has said the Rapid Reaction Force is to guard against possible Iraqi crackdown on Kurds in northern Iraq.

The U.S. and its allies have deployed over 5,000 troops in southeastern Turkey. The land troops of the force are stationed at Silopi while the air units and logistics support units are deployed at Incirlik and Batman Air Bases.

Iranian Official Arrives in Beijing

LD0608145991 Tehran IRNA in English 1028 GMT
6 Aug 91

[Text] Beijing, Aug. 6. IRNA—Iran and Democratic People's Republic of Korea (DPRK) signed a protocol for cooperation in the field of physical education. Iran's vice-president and head of the physical education organization, Hasan Ghafuri-Fard, told IRNA here Tuesday.

More on the document, Ghafuri-Fard said it calls for exchange of sport teams, coaches and sport experts in a period of five years.

Ghafuri-Fard who arrived here from Pyongyang added that Iran and DRPK hold common stances on international forums and should play a more active role along with China in promoting Asian and Pacific sports in the world.

Ghafuri-Fard further told IRNA that China's Sport Minister Wu Shaozu and head of the country's Olympic Committee He Zhenliang are to pay separate visits to Tehran in February.

Ghafuri-Fard headed the high-ranking sports delegation to Pyongyang where he held talks with several sports officials of the country.

Sri Lankan President Meets Envoy, Discusses Ties

OW0608150891 Beijing XINHUA in English
1417 GMT 6 Aug 91

[Text] Colombo, August 6 (XINHUA)—Sri Lankan President Ranasinghe Premadasa said here this afternoon that the friendship between Sri Lanka and China has been further strengthened.

Talking to outgoing Chinese Ambassador to Sri Lanka Zhang Ruijie, the president said, "The moment I am free, I'll visit China."

Premadasa said that Sri Lanka needs Chinese investment. If they (Chinese) come and invest in Sri Lanka, they can also get good returns, the president noted. He said that Sri Lanka would give Chinese investors preferential treatment.

Pakistan Donates More Goods for Flood Victims

OW0708001291 Beijing XINHUA in English
1525 GMT 6 Aug 91

[Text] Islamabad, August 6 (XINHUA)—Pakistan has donated more relief goods to China's flood-affected people, according to a senior government official here today.

The 50 tons of relief goods include medicine, milk powder, tents, blankets and carpets, the official said.

He said that a Pakistan Air Force special plane carrying 25 tons of the goods will leave here early tomorrow morning for China.

The second flight carrying the rest to China will be made within a week, the official said.

The new donation is in addition to the 5,000 tons of rice the Pakistan Government provided to the Chinese people in the flood-affected areas.

Ziauddin Ahmad Sheikh, director general of the emergency relief cell of the cabinet division, said the Pakistan donations show the sympathy of the Pakistan people for the Chinese people.

Sub-Saharan Africa

Yang Fuchang Departs on West African Tour

OW0208203991 Beijing XINHUA in English
1446 GMT 2 Aug 91

[Text] Beijing, August 2 (XINHUA)—Chinese Vice-Foreign Minister Yang Fuchang left here tonight for a good-will working visit to Equatorial Guinea, Sao Tome and Principe, Cape Verde and Cameroon.

According to the Chinese Foreign Ministry, Yang was invited by the foreign ministries of the four countries.

During his visit, Yang will exchange views with officials of the four countries on the international situation, bilateral relations and other issues of common concern.

Seeing Yang off at the airport were diplomats from the embassies of the four countries in China.

Meets Equatorial Guinea President

OW0708055391 Beijing XINHUA in English
0528 GMT 7 Aug 91

[Text] Malabo, August 6 (XINHUA)—President of the Equatorial Guinea, Teodoro Obiang Nguema Mbasogo said he was satisfied with relations between China and his country when he met Chinese Foreign Vice-Minister, Yang Fuchang today.

The meeting was held in the Africa Palace of Bata, the second largest city of Equatorial Guinea. In their one-hour-meeting, they exchanged views on international issues of common interest, and on promoting bilateral friendly cooperative relations.

President Obiang pointed out that although China and Equatorial Guinea were far apart, close relations between them shortened the distance. He hoped this could be consolidated and developed.

He appreciated China's foreign policy, pointing out particularly that Equatorial Guinea supported China's position on establishing new international political and economic orders.

Earlier, Yang Fuchang and Equatorial Guinean Foreign Minister Santiago Eneme Jvono signed an agreement to develop bilateral economic cooperation.

Latin America & Caribbean

Yang Shangkun Holds Talks With Brazil's Rezek

OW0708000991 Beijing XINHUA in English
1415 GMT 6 Aug 91

[Text] Beijing, August 6 (XINHUA)—Chinese President Yang Shangkun said today that Sino-Brazilian relations have a good basis as well as broad prospects for further development.

Yang made the remark today in a meeting with Brazilian Foreign Minister Francisco Rezek, who is visiting China for the first time.

Yang, extending a warm welcome, said the two countries have been exchanging high-level visits since they established diplomatic relations.

Also, he said, they have similar views on many international issues. Bilateral friendly co-operation in the economic, trade, scientific and technological, and cultural fields has been developing smoothly, Yang noted.

Rezek said that Brazil and China have identical political aspirations, with both countries upholding the principles of equal sovereignty among all nations and of non-interference in each other's internal affairs.

Meanwhile, Brazilian-Chinese co-operation can become an example for the world, he said.

Yang, referring to his visit to Brazil last year, said he was deeply impressed by the warm welcome extended to him by the Brazilian Government and people. He asked Rezek to convey his thanks once again to Brazilian President Fernando Collor de Mello.

Rezek passed President Collor de Mello's regards to Yang, calling his visit to Brazil a contribution to the development of bilateral relations.

During the meeting, Rezek delivered a letter to Yang from President Collor de Mello.

On China's present endeavors to develop its economy, Yang said his country is willing to develop co-operation with other countries, as a supplement to its own efforts.

He stressed that China's reform and opening policy will remain unchanged. Meanwhile, China will continue along its chosen road.

Yang asked Rezek to pass on his greetings to President Collor de Mello, saying he is looking forward to receiving him in Beijing.

Wang Hanbin Continues Latin America Visit**Meets Chilean President**

*OW0708001391 Beijing XINHUA in English
1634 GMT 6 Aug 91*

[Text] Santiago, August 6 (XINHUA)—Chilean President Patricio Aylwin met the delegation of the National People's Congress (NPC) of China in the presidential palace of La Moneda on Monday.

During the meeting Aylwin, who visited China four years ago, expressed his admiration at China's long history and hard-working people.

He hoped the Chilean-Chinese relations could be further strengthened.

The delegation headed by NPC Vice-President Wang Hanbin, arrived here on July 30 for a one-week visit.

Arrives in Argentina

*OW0708052291 Beijing XINHUA in English
0500 GMT 7 Aug 91*

[Text] Buenos Aires, August 6 (XINHUA)—The Chinese National People's Congress (NPC) delegation

headed by Wang Hanbin, vice president of the NPC Standing Committee, arrived here tonight for a one-week official visit to Argentina.

Wang and his party was given a warm reception at the airport by Aguirre Canari, second vice president of the Argentine Senate, and Bravo Herrera, president of the Commission of National Defense of the Senate.

Wang said in a speech that the Chinese delegation would exchange views with leaders of the Argentine parliament and government on issues of common interest during the visit.

He added that cooperative relations in various fields between China and Argentina had been steadily strengthened, and the economic and trade exchanges had been developed continuously.

The leaders of Argentine Senate said that the two countries should further strengthen the exchanges in economics, culture and science and technology, to promote mutual understanding.

The Chinese delegation visited Ecuador, Peru and Chile prior to Argentina, the last leg of their Latin American journey.

Political & Social

Deng Xiaoping Speaks on Zhao Ziyang Issue

HK0708014491 Hong Kong CHING PAO in Chinese
No 169, 5 Aug 91 pp 51-52

[Article by Cheng Te-Lin (6774 1795 2651): "Deng Says Zhao Ziyang Should Be Helped, Observed, Used"]

[Text] News from Beijing claimed: After listening to reports by Jiang Zemin, Yang Shangkun, Li Peng, and Song Ping on their recent work on 22 June, Deng Xiaoping once again gave more detailed instructions on the Zhao Ziyang issue. Also present were Wang Renzhong, Wan Li, and Ding Guanggen.

Caution Needed in Making Conclusions About People

Deng Xiaoping said: The party is still not united on the final conclusion regarding the investigation of the Zhao Ziyang issue. I agree with the views of Comrade Li Ruihuan that we should have a more comprehensive assessment of Zhao Ziyang. In the beginning, the party Central Committee had an identical understanding of the nature of the Zhao Ziyang issue, that is, it was an intraparty issue. This was the main premise. It made things easier as intraparty issues could be resolved according to the party's organizational discipline. Today, there are some comrades who believe that if an assessment was made of Zhao Ziyang's mistakes at that time and the question dealt with according to organizational discipline, then there would have been no foot-dragging. Meanwhile, other comrades maintain that the conclusion on the nature of Zhao Ziyang's mistakes was made too hastily and too severely, putting the current investigation too much on the defensive. I think that these two views raised by some comrades in the party have deviated from the facts at the time and from the events within the party at the time. **Caution is necessary in handling people and drawing conclusions about them. If excesses and mistakes were committed, it is necessary to have the courage to admit them and to be responsible enough to make amends. In the past, our party has committed excesses in many political movements and has suffered great losses as a result.** The communist party never said that it was always right or that it never made mistakes. There is no political party or leader in the world who is always correct. The key lies in whether or not there exists the courage to admit mistakes publicly once they have been committed and to make amends in the conduct of work.

Zhao Ziyang Does Have Contributions

Deng went on: The mistakes that Zhao Ziyang committed at that time should be borne by him principally, but there did exist certain objective factors and external influences at that time. **I have reiterated that once problems occur, what a person said should not all be ruled as incorrect nor all the problems in society, corruption within the party, and everything wrong attributed to him.** It has been more than 10 years now that the policy of reform

and opening up has been in force and our advances and accomplishments have been universally acknowledged both inside and outside the party and both at home and abroad. **Zhao Ziyang was State Council premier for several years and also served as general secretary for a while. He has his share of contributions to the party and the state.** At the moment, some people would like to put the question on hold while others suggest that he retire. I do not agree with these views for they do not constitute a responsible attitude toward comrades nor represent the vision that the Communist Party should have. Rather, they are the pernicious influences of leftist ideas within the party on the persecution of people, pernicious influences which we have criticized and negated. This in itself should be criticized. **Earlier, criticisms of individuals from a higher plane of principle and two-line struggle have appeared again in the press. Who was behind this? Why should such things be carried out? Who approved it?**

Personnel Appointments Were Affirmed Jointly

Some people have criticized me, saying that I had been amiss in using people and that I failed to maintain overall equilibrium. I can accept this if the situation then were taken in today's context. But, **on the question of personnel appointment, Chen Yun, Peng Zhen, Xiannian, Shangkun, Yibo, Renqiong, Wang Zhen, and others are very clear about it. Four or five names were raised while no less than five sessions of discussions and analyses were held until it was finally decided that Zhao Ziyang would assume the post.** If it is said that I am responsible, I will not shy away from it. I proposed Zhao Ziyang and convinced the other comrades about it. Later, they would claim that they only agreed out of respect and faith in me.

Criticism of Hu Yaobang Excessive

In the past one or two years, I have spoken to some comrades about whether the decision on Hu Yaobang's resignation was not taken too hastily? Was it necessary or not? Did some of our comrades not have an incorrect attitude? Did we provide all-out support and coordination to Hu Yaobang's work? I have been thinking about these questions over and over again. Four years after the incident, it is necessary to have a new understanding. **At that time, I already felt that the criticisms of Hu Yaobang by certain comrades were excessive and prejudiced.** I did not say so at the meeting but did talk to the comrades individually later. At that time, I did not favor his resigning, and instead, suggested that the party resolve the issue through criticism and self-criticism at a top hierarchy party meeting. But I did not insist on it. This chapter in the party's history will have to be left for later examination.

Zhao Ziyang Should Be Helped, Observed, Used

Finally, Deng Xiaoping said: There is need to unify views on the Zhao Ziyang issue, but do not expect too much unity. It is not possible to have the approval of every person before something can be carried out. The Standing Committee of the Political Bureau may have

the final say while the Political Bureau may give the approval. It is necessary to take a firm grasp, be bolder, and not be afraid of "strange remarks" from other people. In short, **my opinion is that Zhao Ziyang should be helped, observed, and used.** With comrades who have made mistakes, including those who have made serious mistakes, we should help them and use them according to their skills. This is the policy of a proletarian political party; it shows the breadth of mind of the communist.

Deng Autographs New Overseas Magazine

HK0708065591 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1310 GMT 2 Aug 91

[“ZHONGHUA ERNU, Mainland's Second Overseas Magazine, Starts Publication”]

[Text] Beijing, 2 Aug (ZHONGGUO TONGXUN SHE)—The first issue of ZHONGHUA ERNU [SONS AND DAUGHTERS OF THE CHINESE NATION] overseas edition was published yesterday. This is the mainland's second overseas magazine, which mainly reports on outstanding public figures. The first is LIAOWANG OVERSEAS EDITION, which mainly reports political affairs.

The front cover of the first issue was autographed by Deng Xiaoping. On the title page, the purpose of the magazine was printed as follows: Love China, Rejuvenate China. In this issue, there are quite a few good pieces. For example, in an article entitled “Nie Li, Li Na, Lin Doudou, and Me,” Tao Siliang, daughter of former CPC leader Tao Zhu, disclosed the recent situation of the above-mentioned daughters of Marshal Nie Rongzhen, Jiang Qing, and Lin Biao.

At yesterday's news conference, the responsible person of the magazine said that the domestic edition of ZHONGHUA ERNU has been published for three years. The overseas edition aims at uniting and getting in touch with outstanding sons and daughters of the Chinese nation at home and abroad, disregarding regional boundaries and their differences in nationality and religious beliefs. The magazine will report their successes and achievements, introduce their experiences of hard struggle, and reflect their spirit of pursuing and devoting to their ideals and causes.

The bimonthly is published by the All-China Youth Federation with 16 mo-size printing paper.

Dispute Over Publication of Chen Yun Article

HK0208113191 Hong Kong CHENG MING in Chinese No 166, 1 Aug 91 pp 23-24

[Article by Wang Pei-ming (3769 5563 2494): “Li Ruihuan Prevents Publication of Chen Yun's Article”]

[Text] Some time ago, taking advantage of the opportunity that the CPC made preparations for the “grand celebration to mark the 70th anniversary of the founding of the party,”

“leftist princes” like Hu Qiaomu, Deng Lihou, and Wang Renzhi energetically conducted conspiratorial activities in a bid to create chaos and seize power—seizing the power of Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee in charge of ideology but, lacking the support of Deng Xiaoping, Yang Shangkun, and others, they ended in failure. A certain “leftist prince” even “took to the wilds”—leaving Beijing in the name of inspection.

Hu Qiaomu and Others Plot To Publish Chen Yun's Article

On 8 June, “leftist prince” Hu Qiaomu proposed to the Secretariat of the CPC Central Committee that Chen Yun's speech at a central work meeting on 16 December 1980, entitled “Economic Situation, Experiences and Lessons,” be published in full on the front page of RENMIN RIBAO on the eve of 1 July as an important document to mark the party's birthday. It was verified that Hu Qiaomu, Deng Lihou, Xu Weicheng, and other “leftist princes” had Chen's article delivered to BEIJING RIBAO and GUANGMING RIBAO, which were under their control, to set types and print a final proof so that the article could be published in the newspapers as soon as the Secretariat approved it. We can thus see that the republication of Chen's article was by no means a document to mark the occasion and to study but a political plot hatched by the “leftist princes” in an organized and planned way.

Li Ruihuan was strongly opposed to the publication of the article. First, he made a report to the Standing Committee of the Political Bureau, which approved Li's view; then, he relayed the Political Bureau's view to Hu Qiaomu on 13 June: This is not the right moment to publish Comrade Chen Yun's article because some ideas and contents of the article, which was written 11 years ago, do not suit the conditions today. If necessary, we may ask Comrade Chen Yun to revise and supplement the article and then print and distribute the excerpts as part of the study material.

Hu Qiaomu Refuses To Carry Out Central Instruction

But Hu Qiaomu and company refused to carry out the central instruction relayed by Li Ruihuan. On 18 June, Hu talked with Wang Renzhi behind closed doors, asking him to publish Chen's article in the local press in the name of the Propaganda Department of the CPC Central Committee and then reprint it in RENMIN RIBAO. They also arranged for BEIJING RIBAO to publish the article first on 23 June.

Li Ruihuan Goes in Person to the Propaganda Department of the CPC Central Committee To Announce the Decision

When the news leaked out that Hu Qiaomu, Wang Renzhi, and company were determined to publish Chen Yun's article in BEIJING RIBAO behind the back of the party Central Committee, Li Ruihuan was very angry. On 20 June, he went in person to the Propaganda

Department to solemnly announce: Chen's article must not be published, not even in excerpts. This is the decision of the party Central Committee.

Wang rebutted there and then: "Is this the party Central Committee's decision or a personal decision? Whose party Central Committee's decision is this?"

Li replied: "This is a unanimous decision of the Political Bureau after discussion." He also read out on the spot the relevant decision of the Political Bureau of the CPC Central Committee, the contents of which are as follows: In the future, publication in party organs of speeches by leading comrades of the party, government, and military, including works, speeches, written instructions on documents, instructions, and so on, which have been published or have not been made public in the past, must be reported to the Secretariat to be discussed, arranged, and decided upon. Major ones involving a wide range of issues may be published only after they are submitted to the Political Bureau for discussion and decision. Without a permission or approval from the party Central Committee, no ministries, commissions, or local governments may print and distribute them without authorization or relay and distribute them to the lower levels as propaganda material.

But the "leftist princes" were not convinced. On 23 June, Deng Liqun and Hu Qiaomu again asked Li Ruihuan to explain why the party Central Committee did not approve of the publication of Chen Yun's article. They also said they would make arrangements for the full text of the article to be published on the front page of GUANGMING RIBAO before 1 July.

Li rejected, saying: "There will be difficulties here because the party Central Committee has made a decision on it. Alterations or changes can be made only after the Political Bureau has studied the matter. For the moment, we should not make an exception."

Deng Liqun asked: "Has the relevant resolution approved by the Third Plenary Session of the 11th CPC Central Committee not been revised by others? The situation is changing!" The deadlocked atmosphere was especially tense.

Yang Shangkun "Exchanges Views" With "Leftist Princes"

The matter was quickly reported to Yang Shangkun. On the morning of 25 June, Yang and Song Ping "exchanged views" with Deng Liqun and Hu Qiaomu, during which Yang stressed three points: 1) The entire party and the entire army only have one leading core, namely, the party Central Committee and Central Military Commission headed by Comrade Jiang Zemin. As Jiang is the party's General Secretary and helmsman, we naturally should obey him. To those comrades who have retreated to the second and third lines, there is no exception. 2) If you have views, opinions, or suggestions, no matter whether they are correct or feasible, they should be decided by the Political Bureau—and there is no room

for discussion. 3) The party Central Committee has decided that Comrade Li Ruihuan takes charge of the party's ideological and theoretical propaganda work and for this reason he has the right to make a decision. In the last two years, Comrade Li Ruihuan has scored successes in removing interference from both "left" and right, especially in resisting the "leftist" relapse, and the Political Bureau has a unanimously high opinion of him.

Deng Xiaoping Warns: It Will Not Do To Go One's Own Way

Lastly, Yang Shangkun showed his trump card by saying: Comrade Xiaoping has always asked those old comrades who have retreated to the second and third lines to set an example and give all-out support to the party Central Committee headed by Comrade Jiang Zemin, and consolidate and develop the fine situation today. Do not hold on to the outdated stuff. Comrade Deng Xiaoping also pointed out: Some comrades give themselves the airs of a hero and rest on their laurels. Do they have the party Central Committee in their eyes? A major manifestation of corruption within the party is to seek privileges, make arbitrary remarks, and go one's own way in terms of party organization and discipline. It will not do not to correct this or to pull in one's horns.

Getting Another Unfavorable Response, the "Leftist Prince" Takes to the Wilds

Afterwards, the Political Bureau of the CPC Central Committee instructed Li Ximing and Wang Renzhi to go to BEIJING RIBAO and GUANGMING RIBAO, respectively, to recover and seal the final proof of Chen Yun's article. Seeing that the situation was unfavorable, Deng Liqun, the back-stage boss plotting and supporting the publication of Chen's article quietly flew to Sichuan's Chengdu on 28 June to "inspect work."

Hu Qiaomu Reproves Party's 'Pro-American Faction'

HK0708075691 Hong Kong CHING PAO in Chinese
No 169, 5 Aug 91 pp 54-55

[Article by Meng Lin (1322 3829): "Hu Qiaomu Criticizes Pro-American Faction Inside CPC"]

[Text] Hu Qiaomu said cadres who cannot apply the basic Marxist tenets to resolve problems in practical work are not qualified to be CPC Central Committee members or responsible persons of local departments. This is the rudimentary requirement.

Hu also said that some people are trying to defend and whitewash U.S. policies of aggression, expansion, subversion, and infiltration. It is a brazen obliteration of the actual confrontation between the two systems to say that "there is no fundamental conflict of interests between China and the United States."

Reiterating Existence of Class Struggle

Hu Qiaomu recently attended a high-level theoretical symposium held by the Central Advisory Commission in

Beijing. Almost all the responsible persons from the theoretical, propaganda, and cultural fields including Deng Liqun, Gao Di, Wang Renzhi, Xu Weicheng, Zhu Muzhi, He Jingzhi, Liu Zepeng, and Yuan Mu were present on the occasion. At the symposium, apart from urging party members to study Marxism-Leninism, Hu Qiaomu stressed that he who recognizes proletarian dictatorship but not class struggle is not a Marxist-Leninist. He also attacked the pro-American policy makers within the party by innuendo.

Hu said: In the changing international community today, we should understand and recognize international class struggles, the struggles between various strata, class struggles objectively existing at home, two-line struggle and ideological struggle within the party, the struggle between real and sham Marxism, and struggle between Marxists and democratic socialists. He who does not recognize these is not a good communist leader. At least he is not a real Marxist.

Directly Blaming Mistakes in Inner-Party Work

Hu continued: We must be soberly aware of a lack of our party's attention paid to and leadership exercised over theoretical work and in studying Marxism-Leninism. This is a serious mistake in our party's work. In developing capitalism, the Western capitalist countries have a large theoretical and political contingent. They have full time experts engaged in the study of Marxist theories and the situation of socialist countries. Our party has more than 50 million members. If we do not have thousands or tens of thousands of practical cadres with comprehensive Marxist theoretical knowledge to lead and guide our party building and develop the socialist modernization program, there will be a qualitative change in our party and socialism several years at least or a decade at most. The method of studying at the central party school for six months to a year alone cannot resolve the current problem of naivety and a lack of Marxist-Leninist theoretical knowledge of the party leading organs at all levels. To put it bluntly, I suppose a considerable number of cadres from the locality to the central authorities do not even have a systematic knowledge of Marxist basic tenets or do not know what is a socialist society. How then can they lead the party members and the masses of the locality or a certain department to carry out the modernization program in light of the party's principles and policies? In my opinion, this problem should be dealt with from the central level. The cadres who cannot apply basic Marxist theories to resolve problems in practical work are not qualified to be CPC Central Committee members or responsible persons of the central and local departments. This is the rudimentary requirement. Otherwise, besides mocking our Marxist ruling party, it will lead our work astray or even to extremes.

Attacking Pro-American Personages Within Party

Hu also said that there is a pro- and worshipping-American trend in society, from supporting the policies of the U.S. ruling class to pursuing a full set of system of the United States, and even defending and whitewashing U.S. policies

of aggression, expansion, subversion, and infiltration and their fundamental interests, saying that "there is no fundamental conflict of interests between China and the United States." This is a brazen obliteration of the actual confrontation between the two systems.

Hu cited an example: Some party leading cadres have tried by every means to visit the West. I suppose most of them have made the trips not for enhancing exchanges or studying the strong points of the West in developing their economy. This is an essential factor leading to the craze of an increasing number of young students and intellectuals applying to study and work in the United States. Have they gone to the United States to acquire Western science, technology, and knowledge and return to the country to contribute to the socialist modernization program or to yearn for and pursue the system and lifestyles of the United States? We should not evade this question. Communists should squarely face and recognize this question. Viewed from reports from foreign press and various domestic circles, some cadres from the central authorities and localities working in companies abroad placed their children or relatives in these companies before their retirement or transfer. This corrupt practice cannot be concealed. Because of this, the people will be disappointed and pessimistic about the party's cause. Apparently, this is the result of a pro- and worshipping-America tendency, negligence of basic Marxist theories at the leadership and policy-making bodies, and forsaking of Marxist education in the whole party. The turmoil and counterrevolutionary rebellion in April, May, and June 1989 served as a grave lesson for our party. If we fail to promptly dispel people's discontent against inner-party corruption, our party will have to pay a huge price.

CPC Issues Guide Against 'Peaceful Evolution'

HK0708065991 Hong Kong CHU SHIH NIENTAI
in Chinese No 259, 1 Aug 91 p 16

[Article by Tsui Feng (1508 1496): "CPC's Five Admonitions for Grass-Roots Level"]

[Text] In an article carried by a classified political magazine, the CPC informally disseminated new instructions on economic and political reforms to the lower levels. These instructions include the following points:

1. "The consequences of peaceful evolution are obvious for all to see." East European socialist countries have been "subverted" one after another. All this has enabled us to see the "real picture after the collapses of the communist parties." The article describes East European countries this way: "Their economies have collapsed, production has declined, commodity prices are soaring, and social order is in confusion.... Some party leaders were interrogated and put under surveillance and others committed suicide.... Many communist party members and progressive people are laden with worries;" "everyone can see what peaceful evolution really is."

2. There is a need to "make a break with 'democratic socialism.'" The article asserts: "Although 'democratic socialism' has not completely discarded the socialist signboard, it favors the replacement of proletarian dictatorship with the multiparty system, the parliamentary system, and checks and balances. The article advises cadres 'not to practice East Europe's 'democratic socialism.'" This "must be made very clear."

3. There is a need to "provide correct guidance for consumption." This includes two points: "Housing system reform" and the implementation of the "insurance system." Wages should be increased and bonuses should be reduced.

4. We "should not be unrealistically optimistic about agriculture" or think we have tided over all difficulties in agriculture. A country with 1.1 billion people needs 800 billion jin of grain each year. If agriculture production goes wrong, no one can help solve our problem. Therefore, the state as well as 30 provinces and autonomous regions should stress the importance of self-reliance. "Do not immediately feel the itch for extravagant spending after a couple of years' good harvest."

5. "Resolutely carry out a protracted struggle against corruption." The article points out: "Corruption among some members of the ruling Communist Party may cause resentment among the masses. People with ulterior motives exaggerate some corrupt practices in the party and take advantage of these corrupt practices to stir up trouble.... The masses still have much to say about the question of fighting corruption."

Article Urges Continuing Ideological Work

HK0408051891 Guangzhou NANFANG RIBAO
in Chinese 29 Jul 91 p 4

[Article by Zou Shiguang (6760 2514 1639): "Turning Ideological Sphere Into Important Front of Opposing Peaceful Evolution"]

[Text] In his 1 July [1991] speech, Comrade Jiang Zemin pointed out: "The ideological sphere is a major arena of struggle between peaceful evolution and opposition to peaceful evolution." He admonished the entire party: In regard to ideology, "how well we do the work has a direct bearing on the success or failure of the socialist course." These remarks of Jiang's point out the position and role of ideological work in the struggle against peaceful evolution and stress the paramount importance of doing ideological work well.

Since the 1980's, taking advantage of the temporary difficulties facing socialist countries and their drives of reform and opening up to the outside world, the international reactionary forces have stepped up their efforts to pursue the peaceful evolution strategy they forwarded in the 1950's. Through fighting "a world war without gunsmoke," they attempted to "win victory without war." Through political, economic, and cultural channels, they preach the so-called "democracy, freedom, and human rights"; spread bourgeois

values; incite hostile feelings against the Communist Party and socialism; and, moreover, they support, bribe, and foster bourgeois liberalization elements and anticommunist and antisocialist forces in socialist countries and turn them as their "planted forces" for subverting socialist countries. This peaceful evolution plotted by the international reactionary forces is not just talk about "change" on paper but it has succeeded to a certain extent and become a reality in some countries. In view to this grim reality, in his "speech," Comrade Jiang Zemin reminded us: Peaceful evolution and ideological trends favoring bourgeois liberalization form an immediate threat to China's independence and sovereignty and our construction and drive of reform and opening up to the outside world." Our party is now facing "the test of opposing peaceful evolution."

The struggle against peaceful evolution involves such areas as politics, economics, ideology, culture, and diplomacy. However, in terms of the characteristics of the struggle itself, the key to the struggle lies in strengthening the work in the ideological sphere. The so-called peaceful evolution means effecting a qualitative change in a socialist country through nonviolent means, with the change beginning in the ideological sphere. The international reactionary forces claim: Ideology is the basic objective of contention. If we are defeated in this aspect, all weapons, treaties, trade, foreign assistance, and cultural exchanges will lose significance. This being the case, they are trying every possible means to export their bourgeois political and social concepts and values through cultural infiltration to disintegrate the spiritual pillar of the people in socialist countries. We must act in a diametrically opposite way and resist, criticize, and struggle against their efforts to spread the corrosive influence of bourgeois ideas and carry out cultural infiltration and subversive activities in a tit-for-tat way. Comrade Mao Zedong said: To overthrow a regime, one should always first create public opinion. The same thing goes for both revolutionary and counterrevolutionary classes. The drastic changes in some countries were started with the creation of public opinion, which led to an ideological confusion within the parties and societies, the eventual loss of the Marxist ideological front, the disintegration of the parties, and the degeneration of the regimes. So, Comrade Chen Yun pointed out in all earnestness: "If we fail to do economic work properly, we will see ourselves overthrown [yao fan chuan 6008 5064 5307]. This holds true for ideological work." What an incisive golden saying this is!

In strengthening the world in the ideological sphere, what is most fundamental is to occupy the ideological front with Marxism and arm our minds with Marxist theory. Comrade Jiang Zemin said: "To see through and foil the schemes of peaceful evolution pursued by the domestic and international hostile forces and build up a "great wall of iron and steel" in the people's minds to resist peaceful evolution, most importantly we should arm the whole party, the whole army, and the people throughout the country with Marxism-Leninism-Mao Zedong Thought." The current major climate for the

study of Marxist theory is very fine. Making further use of the opportunity of the publication and circulation of the second Chinese edition of the *Collected Works of Lenin* and the second edition of the *Selected Works of Mao Zedong*, volumes one to four, we should more extensively organize the vast numbers of cadres and people to study Marxism-Leninism-Mao Zedong Thought. Through study and education, we should help people make a clear demarcation line between Marxism and anti-Marxism, between socialism and capitalism, and between proletarian and bourgeois ideological systems and enhance their capability to resist the corrosive influence of various erroneous ideological trends. Only when we are armed with revolutionary theories can we "understand the objective laws governing social development, grasp the essence of changes in the world situation, avoid being perplexed by the whirlpools and eddies in the long river of history," and proceed to establish firm faith in socialist and communist ideals.

While strengthening the study of and education in Marxist theory and enhancing our ideological consciousness once and for all, we should also resist and criticize the bourgeois liberalization trends which oppose the four cardinal principles and criticize the bourgeois outlook on life, values, and ethical concepts to make sure that socialist ideas will always firmly occupy the ideological front. This will help not only smash the schemes of peaceful evolution pursued by the domestic and international hostile forces, securely preserve China's socialist front, and gather strength to enable the communist movement to move from its low ebb to a high tide, but also provide a stable domestic environment for us to achieve our country's second-step strategic objective and ensure the smooth progress of the country's reform, opening up to the outside world, and construction. It will also enable us to do a good job in domestic work and narrow the gap between ourselves and developed capitalist countries as quickly as possible. Only when we maintain our position and meet any challenges calmly can we establish ourselves in an unassailable position.

The key to doing a good job of ideological work lies in strengthening the party's leadership over the work. First, it is necessary to ensure that leadership power of departments at all levels are firmly in the hands of the Marxists and the socialist orientation of the ideological front is strictly adhered to so that there will be no loopholes for those pursuing bourgeois liberalization to exploit. Second, it is imperative to have a good grasp of policies, correctly conduct ideological struggle, and draw a strict demarcation line between politics and ideology and between politics and learning. Efforts should be made to criticize and struggle against all reactionary things in a clear-cut manner and solve problems in the ideological, academic, and spiritual fields by persuasion and education. Third, some specific problems in the various aspects of ideology should be effectively solved. Necessary and handy conditions should be created to invigorate the work in all fields of socialist ideology and a sound external environment be created to support comrades working on the ideological front in carry out their

work boldly and actively according to the principle of adherence to the socialist orientation.

National Forum on Party Style Opens in Fushun

SK0708043291 Shenyang LIAONING RIBAO
in Chinese 15 Jun 91 p 1

[Excerpts] The national forum of public security departments on improving party style and administrative honesty opened in Fushun City on 13 June. The major subjects to be discussed at the forum include: Summing up and exchanging the fruitful, typical experiences of public security departments in improving party style and administrative honesty, dissecting and analyzing the unlawful and undisciplined cases relating to security cadres and policemen, and discussing the existing problems in the public security contingents in the course of improving party style and administrative honesty and the specific measures for solving these problems.

The forum was cosponsored by the Discipline Inspection Commission of the CPC Central Committee and the party committee of the Ministry of Public Security. Present at the forum were more than 100 people, including leading comrades of the Discipline Inspection Commission of the CPC Central Committee, the Ministry of Public Security, the public security departments of various provinces, municipalities, and autonomous regions, relevant departments directly under the jurisdiction of the central authorities, the Liaoning Provincial public security department, the public security bureaus of various cities in Liaoning Province, and Fushun City.

Liu Liying, Standing Committee member of the Discipline Inspection Commission of the CPC Central Committee, chaired and addressed the opening ceremony. On behalf of the party committee of the Ministry of Public Security, Hu Zhiguang, vice minister at the Ministry of Public Security, made a report at the forum. He said: Over the past year, the public security departments across the country have made new headway in correcting unhealthy practices and strengthening the improvement of administrative honesty. Public security organs at various levels extensively conducted mass education and consolidation activities in line with the major forms of investigating and correcting the "hot-spot" problems for which the people have strong complaints, and made preliminary achievements in improving party style and administrative honesty. He also solemnly pointed out that at present, comparatively serious unhealthy practices and unlawful and undisciplined problems still exist in the security contingents. He also decreed that from this year to the first half of the next, the public security departments across the country should attain fruitful standards in five stages. That is, leaders at various levels and the broad masses of cadres and policemen should further understand the importance, long duration, and urgency of the work of correcting unhealthy practices and strengthening the improvement of administrative honesty. Unhealthy practices and negative and corrosive phenomena within departments and trades must be

exposed. Unlawful and undisciplined cases must be investigated solemnly and handled. Rules and systems should further be set up and perfected. We should have people see the public security organs' achievements in correcting unhealthy practices and enhance their confidence, and further improve the relationship between policemen and civilians. [passage omitted]

Sun Qi, deputy secretary of the provincial party committee and secretary of the provincial Discipline Inspection Commission, and Chen Suzhi, vice governor of the province, called on the forum participants. [passage omitted]

The forum will conclude on 18 June.

Talks End

SK0708123191 Shenyang LIAONING RIBAO
in Chinese 19 Jun 91 p 1

[Text] The six-day national forum of public security departments on improvement of party style and administrative honesty ended in Fushun on 18 June. By hearing reports, exchanging experiences, and engaging in discussions, the forum unanimously maintained that this forum was the first of its kind in China's public security history. The forum fully embodied the party Central Committee's concern and care for the public security contingents. The participants pledged to implement resolutely the five standards and eight measures as set forth by the Ministry of Public Security; and to set up a public security contingent performing official duty honestly, enforcing laws justly, and serving the people wholeheartedly.

Chen Zuolin, deputy secretary of the Discipline Inspection Commission of the CPC Central Committee, made a speech at the closing ceremony. He pointed out: Public security organs at various levels have established party organizations. Party members comprise a considerably large number of the public security contingents. Particularly, leading cadres at various levels are Communist Party members. This group of comrades must not only persist in the criterion for party members but also observe the standards for the behavior of security cadres and policemen. Their behavior directly affects the image and prestige of the party and state public security organs. Thus, this demands that grasping the improvement of party style and administrative honesty among public security organs and bringing into full play party organizations' role as a fighting force and Communist Party members' exemplary vanguard role is of great significance in promoting the improvement of work style of public security contingents, ensuring that public security organs bring their functional roles into full play, and safeguarding the national political, economic, and social stability.

Chen Zuolin stressed: We must make great efforts to upgrade public security cadres and policemen's political awareness in order to further strengthen the improvement of party style and administrative honesty among public security departments. By strengthening ideological and political education, we should ceaselessly help the vast number of security cadres and policemen foster

the awareness of doing official duty honestly and serving the people wholeheartedly. Simultaneously, public security organs should also strengthen the setup of systems, ceaselessly improve the power restriction mechanism, realistically implement the rules and systems that have been formulated, and strictly handle law-breakers and discipline-aggressors according to party discipline, administrative discipline, and state laws. Each and every Communist Party member should bring his exemplary vanguard role into play in the course of improving party style and administrative honesty.

Tao Siju, minister at the Ministry of Public Security, gave a summarization speech at the forum. He said: Practices showed that public security cadres and policemen and armed police force commanders and fighters have firm political awareness and good work style and discipline. They are reliable contingents of the party and the state. This is the main trend. Meanwhile, we must persist in the method of one dividing into two, and must clearly understand the serious problems in the discipline and work style of the public security contingents. Abusing power for selfish ends is the most general and prominent problem that the masses have strongest complaints about. Although the problem is not essential, it will possibly damage us seriously and we should pay much attention to it.

We must clearly understand that public security organs correct party style, oppose corruption, and strengthen the improvement of administrative honesty. There is an urgent demand for maintaining the people's democratic dictatorship and persisting in the socialist system under the new situation. There is also an urgent demand for safeguarding the smooth realization of the second-step strategic goal of socialist modernization.

Liu Liying, Standing Committee member of the Central Discipline Inspection Commission; Hu Zhiguang, vice minister at the Ministry of Public Security; Yun Shiyang, head of the discipline inspection group stationed in the Ministry of Public Security; Quan Shuren, secretary of the Liaoning Provincial CPC Committee; Sun Qi, deputy secretary of the provincial party committee and secretary of the provincial Discipline Inspection Commission; Chen Suzhi, deputy governor of the province; Zhang Chenglun, deputy secretary of the provincial Discipline Inspection Commission; Liu Zhenhua, secretary of the Fushun City CPC Committee; and Ding Zhaomin, mayor of Fushun City, attended the forum. Among those invited to attend the forum were responsible persons of the central Political and Legal Committee, the office in charge of correcting unhealthy practices within trades under the State Council, the state auditing office, and the state supervisory department.

Taiwan's Future, 'One Country, Two Systems' Eyed

HK0508151691 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 30, 29 Jul 91 pp 3-5

[Article by Wu Daye (0702 1129 2814): "On the Content and Characteristics of 'One Country, Two Systems'"]

[Text] Editor's note: It is now almost 10 years since the scientific concept of "one country, two systems" was put forward, which has been successfully put into practice in the settlement of the Hong Kong and Macao problems. However Taiwan authorities have so far opposed and distorted it with a host of excuses. Some overseas people and some on the island have blindly followed suit as they did not understand the real content of "one country, two systems" and doubted its practicability.

This journal ran eight articles between February 1986 and February 1988 systematically expounding "one country, two systems," which drew the attention of people inside and outside the country. At present, a new situation has appeared in the two-shore relations and the unification process of the motherland, and it is necessary to further explicate the rich content of "one country, two systems" and its practicability, explore the problems to be resolved if it is to be practised in Taiwan. For this purpose, as of this edition, this journal will be running articles concerned with "one country, two systems" to probe the issue with all concerned with Taiwan's future and the great cause of motherland's unification.

Over the last two years, with relaxation and improvement in two-shore relations, an increasing number of Taiwan compatriots have undertaken trips to the mainland to visit relatives and friends and for sightseeing or various academic exchanges. But some Taiwan compatriots will be upset and worried every time "one country, two systems" is brought up, saying that there are always people saying "one country, two systems" is bad, but nobody could tell them what exactly "one country, two systems" is and its possible impact on people on the island. This statement is very typical. Not everyone in the mainland knows or is clear about "one country, two systems." [end editor's note]

The Basic Content of "One Country, Two Systems"

What exactly is "one country, two systems" comprised of? Based on the "Letter to Taiwan compatriots" released by the National People's Congress [NPC] Standing Committee on New Year's Day 1979, the talk given to XINHUA News Agency reporters by Ye Jianying, chairman of the NPC Standing Committee in 1981, the talk by Deng Xiaoping, then chairman of the Central Advisory Commission, when meeting with Professor Yang Liyu of East-West University of New Jersey in 1983, various relevant documents from the CPC Central Committee and State Council, and the spirit of recent talks by Jiang in, Yang Shangkun, Li Peng, and other central leaders, this author believes that "one country, two systems" can on the whole be summed up in the following ten points:

1. Under the principle and structure of "one China," the mainland pursues the socialist system while Taiwan pursues the capitalist system; neither side can override each other. Both will respect each other, refrain from harming each other, coexist on a long-term basis and enjoy joint prosperity.
2. Set up Taiwan as a special administrative region and adopt a range of special policies to maintain the zone's continued stability and prosperity. Taiwan's existing economic system, lifestyle, and its economic, trade, and cultural relationships with foreign countries will remain unchanged.
3. As a special administrative region, Taiwan will enjoy a high degree of autonomy, which includes independent administrative and management, legislative, and independent judicial powers and the power of final appeal. The central authorities will not interfere in the special administrative region's internal affairs.
4. Taiwan people's various legal rights such as private property, houses, lands, enterprise ownership, right of legal inheritance, and so on will all be protected by law. Private investment by foreigners and overseas compatriots in Taiwan will also be protected.
5. The case of Taiwan is one of internal affairs and differs from the situation with Hong Kong and Macao. After being set up as a special administrative region, Taiwan can possess armies and arms purchased from foreign countries, but these must not jeopardize the interests of a unified country. The mainland will not send or station armies on Taiwan nor administrative personages there.
6. The central government will leave open certain of quotas for Taiwan. Taiwan authorities and delegates from various circles can assume leading positions in national government organs, through which to participate in state management.
7. As a special administrative regional government, Taiwan can pursue its own domestic policies and enjoy certain power in foreign affairs under central authorization, but cannot represent the country to the international community.
8. The peaceful reunification problem between the two shores should be settled by the ruling parties on both sides of the strait, which can allow other political parties and concerned personages to participate in the process. After reunification, the CPC and Chinese Kuomintang [KMT] and other political parties will maintain long-term cooperation, long-term coexistence, and mutual supervision. Relations between political parties on Taiwan island will be deemed as special administrative region's internal affairs; the CPC will not interfere in operations in this area.
9. Peaceful means shall be adopted to reunify China, but no commitment shall be made on not resorting to force. This is aimed at foreign forces which attempt to meddle in China's reunification and at those who stick to "Taiwan independence." It is not aimed at the people on Taiwan.
10. Reunification of Taiwan and the mainland is China's internal affair and must be settled by Chinese themselves. We are resolutely against foreign forces meddling in and obstructing China's peaceful reunification cause.

But we welcome positive and useful contributions by friendly foreign personages and governments.

The 10 points listed above are the basic content of "one country, two systems" put forward by the CPC. "One country" is inseparable from "two systems." "One country" is based on "two systems" which is the premise for "one country." The relationship between the two is one of premise and foundation. "Two systems" cannot be separated from "one country" or else it becomes separation instead of unification. Neither can we talk about "one country" without "two system," for in such a situation there will be no more long-term coexistence, and one side will be swallowing up the other side. None of the two scenarios accords with the basic spirit of the CPC-forwarded "one country, two systems." But as far as Taiwan is concerned, the 10-point content remains a principled conception, pending communication and consultation between the ruling parties on both shores and concerned personages to be further specified, perfected, and developed into legal forms.

The Basic Characteristics of "One Country, Two Systems"

The 10-point content displays the following basic characteristics:

1. "One country," which is the most outstanding and important characteristic. So far there have been more than a dozen models for settling the two-shore relations different from the "one country, two systems," proposed by the Taiwan authorities and various concerned personages. Apart from a few which are obviously tinged with "Taiwan independence" or smack of such a tendency, the majority take the "separate standing" or "each side possessing its own sovereignty" as a premise. Models on the far end of the spectrum such as "Chinese national federation," "joint and shared prosperity," "Chinese federation," a "cultural China," "one people, two countries," "one country, two entities," and "one country with plural entities," and those on the near end of it such as "one country, two ruling powers," "one country, two governments," "one country, two regions," "one country, two law systems," "one country, two powers" and "political entities with equal status," all run against the principle of "one China." Though some models speak of "one China," the two implied scenarios are either one side overriding and swallowing up the other, which is the so-called "extending the Taiwan experience," "peacefully evolving the mainland," "unifying China with the Three People's Principles" or "unifying China with freedom and democracy" and so on; or the pursuit of dressing up the outward appearance, calling for reunification in name and pursuing separation in practice. These have been exhibited in the so-called "one country, two governments with equal status," "mutual understanding that sovereignty cannot be extended to cover the other," "admitting that both sides are political entities" and "mutual respect in the international community and mutual non-rejection" and so on. Neither of

these two can possibly bring about a genuine reunification of China. On the other hand, "one country, two systems" is aimed at restraining either side from swallowing up the other and realizing long-term coexistence, mutual benefit and supplements, and joint prosperity of both systems and, on such a basis, reunification. This is in fact the best model which is reasonable, appealing, practical, and respects history. In recent years the Taiwan authorities have repeatedly stated that the CPC must make a "good-will response" on two-shore relations; the fact is that "one country, two systems" proposed by the CPC a few years ago has been the greatest CPC's "good-will response" on its own initiative.

2. Peaceful resolution. Peaceful reunification is the CPC's basic policy line and principle in handling two-shore relations, and "one country, two systems" has been proposed to fulfill this basic policy line and principle, and as such, is the core content of peaceful reunification, as well as a powerful guarantee for its fulfillment. Under current historical conditions, it is entirely possible to achieve peaceful reunification. First, the ruling authorities on both sides of the strait have now achieved a certain consensus on some important issues, such as "there is only one China," "China must be reunified," "the necessity to oppose 'Taiwan independence'" and so on. Second, the people of both sides hope ending as quickly as possible the separatist state, with particularly strong hopes for an early elimination of economic barriers, increases in exchanges in order to realize mutual benefit and supplements between the two sides and to jointly reinvigorate China. Third, the PRC is enjoying an increasingly high international status and ever widening influence and bigger role. All countries generally hope that we could soon resolve the reunification issue under the "one China" principle and in a peaceful way, which would help them have a normal exchange with the two shores.

The current problem is that Taiwan authorities have repeatedly requested the mainland to commit itself to abandoning force against Taiwan and have set this up as a precondition for any further improvement in two-shore relations. This is completely devoid of reason. The fact that peaceful reunification has been designated as the CPC's basic policy line and principle in handling two-shore relations, means that there has already been the intention to avoid resorting to force. However, what exactly the way of resettlement would be remains, after all, China's internal affairs. As state sovereignty is involved in this regard, naturally the CPC cannot promise to any foreign power not to resort to non-peaceful means as a way of resolution. Moreover, if it announces renouncing non-peaceful means, some people may feel even more secure in the knowledge of such a renunciation and, should any emergencies harmful to the reunification of the motherland occur, the CPC would be powerless to do anything. This is like tying one's own hands and legs beforehand. Therefore, not promising not to resort to non-peaceful means as a way of resolution, in effect promotes more effectively peaceful reunification as a way of resolution. Some people have insisted that the present growth of "Taiwan independence" on Taiwan

island be attributed to CPC failure to renounce non-peaceful means as a way of resolution, saying that all these have been "forced" by the CPC. This diametrically contradicts the facts. The genuine cause lies with the Taiwan authorities' mainland policy of "maintaining peace without reunification." It is this policy that has provided soil and proper conditions for the growth, spread and expansion of "Taiwan independence."

3. Setting up a special administrative region, as in the case of Hong Kong and Macao. **The special administrative region will be a form of political power which is a local government but one that differs from ordinary ones in having a high degree of autonomy under the state.** As the Taiwan region differs from Hong Kong and Macao in many aspects, the design of Taiwan special administrative regional government is expected to give more weight to and care for Taiwan's existing condition. Such a political power form as adopted by our country will display a unitary state structure, and on the other hand some features of a compound state structure. This is another important difference of "one country, two systems" from any other model, and a good form of combination of firm principle and high flexibility. On the one hand we can have "great homogeneity" with which to safeguard state sovereignty and territorial integrity and realize unification and unity of the Chinese people who have such a long and glorious history. On the other hand we can preserve the "great difference" with which to safeguard the different social systems formed by history and currently existing on the two shores; the two can supplement each other and cooperate and jointly strive to reinvigorate China.

We should point out here two problems. One the "scaling down" problem. There is the view that designating Taiwan as a special administrative region of China "scales down" Taiwan and "lowers its level." **But this does not accord with facts.** Historically Taiwan was a Chinese province. If there must be a title of "state" for Taiwan, claiming that it represents the whole China, this will in fact be a move of creating "two China's," which will give rise to contradictions. If we change the present "state" into the province of Taiwan, thus excluding the mainland, that will at least become a move for "de-facto Taiwan independence," which will intensify many contradictions, and Taiwan will not be peaceful; the consequence will be even more serious. So after all the best thing is to make Taiwan a special administrative region. **Becoming a special administrative region in fact will return Taiwan's hitherto improperly "stretched" body to its proper length. Moreover it can also prevent "Taiwan independence," which is the greatest practical results,** from which many firmly entangled "knots" on the island can be one by one untied. This will really be a good thing. **Second is the so-called "trap" problem.** There is the view that Article 31 of the Chinese constitution, on which is established the basis for setting up special administrative regions, clashes with the part in the general outline of the constitution of "the four cardinal principles" (namely

adhering to a socialist path, people's democratic dictatorship, communist leadership, and Marxism-Leninism-Mao Zedong Thought), and that therefore "one country, two systems" is impractical and suspected of "achieving unification with Taiwan only to swallow it up later." This is a complete misunderstanding. As a matter of fact the adherence to a socialist path as stated in the constitution should be understood as speaking on a national level; while preserving a capitalist system in special administrative regions is understood as applying only to individual specially-designated areas; the two do not contradict each other. As in the case of Hong Kong and Macao, the National People's Congress can also set up some special policies and systems according to the special administrative region's law formulated by the constitution, and these policies will constitute an equally integral part of Chinese constitution. The Taiwan authorities' insistence on the CPC revoking the "four cardinal principles" as an important part of its "good-will" response to Taiwan, is simply devoid of reason.

4. Talks on an equal basis. That is talks on equal status between the two ruling parties of the two shores, possibly with participation by people from other political parties and concerned personages. However, it is certainly not "government-to-government" talks, regarding which General Secretary Jiang Zemin of CPC Central Committee had made his stand clear last June. He said: "We favor discussion and talks between the CPC and KMT on an equal basis. This is based on the consideration of realistic conditions such as the two parties' present status and functions, and also to avoid causing inconvenience for the Taiwan side." (12 June 1990 RENMIN RIBAO) This argument by the CPC leader has the following grounds: First, the KMT is the ruling party in Taiwan. Though there have been established many new political parties, according to the KMT "national security law" and "law on people's associations," they were all established with the recognition of the leadership status of the KMT, that is they all recognized it as the present leading force in Taiwan's "constitutional government body" and the effective ruler in Taiwan. Given the situation, what should the CPC be talking to if not the ruling power? Two-shore talks could only be conducted through the ruling parties of both shores. Of course, before the talks, the ruling parties on both shores should "discuss agendas with various parties and associations and consult them on national affairs," and "promptly update and exchange views with them; or may even get representative figures from other parties and associations into the talks." (Jiang Zemin's speech as cited above) Second, within a sovereign state there may be two or more "party-to-party" relations but never two or more "government-to-government" relations at the highest central level. China differs from Germany or Korea, and can never allow the creation, through talks, of "two political entities with equal status," "two Chinese governments with equal status," "two Chinas with equal status" or "one China and one Taiwan with equal status." Since Taiwan authorities claim that "there is only one China" and "China must be unified," then they should have the

courage to face reality. If they insist on setting up Taiwan island, which boasts only 1/56 of the country's population and 1/277 of its territory, as a "government with equal status vis-à-vis the mainland government" in talks, they are not holding any "pragmatic" attitude. The key lies in having sincerity, energy, boldness, and historical sense on their part. Worries such as accusations that this would be an "illicit transfer" between the CPC and KMT or "betraying Taiwan people's interests" and so on, are all but excuses. We firmly believe that the broad mass of Taiwan compatriots, who have a glorious patriotic tradition, will never hope the present separation between the two shores persist forever. Moreover, so long as our policies are right and can give genuine and practical consideration and care to the Taiwan people's intimate interests, some temporal misunderstandings will finally clear up or disappear.

Science & Technology

Song Jian Addresses Global Environment Conference

OW0208141791 Beijing XINHUA in English
1249 GMT 2 Aug 91

[Text] Beijing, August 2 (XINHUA)—Some 1,000 scientists from 48 countries gathered here today to begin a week long discussion on the deteriorating global environment.

The purpose of the gathering is to direct international attention to unforeseen disasters such as floods, earthquakes, and volcanic eruptions.

In his address to the opening session, State Councillor Song Jian, who is also the minister of science and technology, said that deterioration of the environment often leads to serious natural disasters which inflict great suffering upon human beings.

"Protecting the environment, reducing disasters and providing benefits to mankind is inevitably a great mission for the scientists of all countries," he said.

"The Chinese Government has consistently maintained a fundamental national policy of protecting the global environment and enhancing sustained development," said Song, noting that China will make full use of every means available to science and law in order to reach this target."

Speaking about the human impact on the environment, Professor Zhou Guangzhao, president of the Chinese Academy of Sciences, told participants in the meeting that human production and human life are dramatically changing the natural environment. "Considering the load-bearing capacity of nature, man cannot make endless demands on nature," he noted.

"Environmental problems usually require a long period before manifesting their symptoms," explained Professor Zhou. "But once the problems surface, it is often very difficult for man to handle them."

The Chinese scientist urged the international scientific community to provide more accurate and relevant data to aid in protecting the earth and creating a healthy environment for the survival of the future generations.

"The Chinese Academy of Sciences has always considered environmental science as one of its key research fields," said Zhou. "In light of the continued worsening of the global environment, the academy will devote even greater efforts to environmental problems."

At present, the Chinese Academy of Sciences has over 20 research institutes in which hundreds of scientists are involved in researching the interaction between human activities and global changes.

Other problems to be discussed at the meeting include the melting of polar ice-caps and retreating glaciers in the polar regions, changes in the sea level, water and soil erosion, desertification, and human evolution.

The meeting is jointly sponsored by the Chinese Academy of Sciences and the International Union for Quaternary Research.

Quaternary research involves the study of evolution processes and development trends in the earth's environment over the 2 million years man has lived and evolved.

Beijing Hosts National Consultancy Services Forum

OW0608095291 Beijing XINHUA in English
0714 GMT 6 Aug 91

[Text] Beijing, August 6 (XINHUA)—Consultancy services, an industry which emerged in China in the early 1980's, has played an increasingly important role in economic and community development, according to Hui Yongzheng, vice-minister of the State Science and Technology Commission.

In a speech to a national symposium on consultancy work, which opened on Monday in Beijing, Hui said that China would further promote the development of consultancy services by learning from the experiences of other countries.

At present, China has more than 33,000 consultancy service agencies attached to industrial and commercial administrative departments. The agencies employ over 700,000 people, according to today's overseas edition of the "PEOPLE'S DAILY. [RENMIN RIBAO]"

In addition, there are over 900 soft science institutes, with over 30,000 employees, engaged in consultancy services.

During 1990, more than 23,000 technical consultancy contracts were signed with an overall contract volume of over 520 million yuan (104 million U.S. dollars).

Various forms of consultancy institutions operate in government administrations, as well as in non-governmental departments and industrial enterprises.

Consultancy services provided in the soft sciences have provided a reliable scientific basis for policy making at various levels of government.

Reports concerning the readjustment of China's industrial structure, development of Wujiang River and construction of the new Eurasia Trans-Continental Bridge which were drafted jointly by the State Council's Research Center for Economic, Technological, Social Development, the State Science and Technology Commission and the State Planning Commission have been adopted by the State Council.

National Conference on Scientific Research

OW0508212491 Beijing XINHUA Domestic Service in Chinese 1053 GMT 5 Jul 91

[By GUANGMING RIBAO reporter Liu Lu (2692 6424) and XINHUA reporter Zhao Wei (6392 5898)]

[Text] Beijing, 5 August (XINHUA)—The nation's educational and scientific research projects during the next decade and the Eighth Five-Year Plan period have been set. The National Leading Group for the Planning of Education and Scientific Research today has finished assessing priority projects for the Eighth Five-Year Plan period. Implementation of these projects will begin after they have been approved by the higher authorities.

According to information released by the National Meeting for Assessing Priority Education and Science Projects During the Eighth Five-Year Plan period, which closed today in Beijing, the main education and science projects for the next decade will be: Achieving a breakthrough in research on major theoretical and practical issues concerning educational reform and development. During the Eighth Five-Year Plan period, efforts will be made to achieve a breakthrough, first of all, in the study of carrying out moral education in schools, in the study of fully implementing educational principles, in the study of comprehensive educational reform in urban and rural areas, and in the study of educational thinking. On this basis, efforts will be made so that relatively clear basic outlines of a Chinese-style socialist educational system geared to the needs of the 21st century will have been sketched and expounded on systematically and theoretically by the end of this century. Meanwhile, efforts will also be made to speed up the development of disciplines of educational science so that preliminary Chinese-style disciplines will have been developed by the year 2000; to improve the proficiency of science researchers so that academic echelons composed of large numbers of middle-aged and young academicians will be created in five to 10 years; to strengthen the groundwork for education and scientific research so that the national network of educational and scientific information can be improved; and to translate foreign works on education in a planned manner so that extensive international exchanges can be carried out.

It is reported that the National Meeting for Assessing Priority Education and Science Projects During the Eighth

Five-Year Plan Period underscored the study of prioritizing moral education in schools, repudiating "peaceful evolution," comprehensively restructuring rural education, integrating education with productive labor, and launching education among people of minority nationalities. Among the 1,331 projects submitted for assessment, 460 have already been incorporated with the Eighth Five-Year Plan; and among these 460, experts say that 57 of them may be listed as priority state research projects. These 57 projects have been referred to higher authorities for examination and approval.

It is also reported that the National Leading Group for the Planning of Educational and Scientific Research has decided to earmark part of the annual national budget for educational and scientific research to set up a special fund for supporting middle-aged and young scholars' research. The age of applicants for grants from this special fund should be under 39.

Nuclear Reactor in Sichuan Begins Operation

HK0608061291 Hong Kong WEN WEI PO in Chinese 6 Aug 91 p 2

[By Yang Yung-nien (2799 3057 1628), WEN WEI PO southwest China correspondent: "Another Nuclear Reactor Goes Into Operation in Sichuan"]

[Text] Another nuclear reactor in Sichuan Province has gone into operation.

This nuclear reactor is very safe and is used mainly for carrying out research work in various scientific and technological fields as well as developing comprehensive doped monocrystalline silicon, producing high-density radioisotopes in short supply, and applying metachromatic irradiation to natural gems. The most prominent feature of this nuclear reactor is its ability to reuse the nuclear fuel refuse from a high-powered reactor and increase average burnup from 40 percent to 45 percent, saving more than 2 million yuan's worth of nuclear fuel every year. The completion of this reactor marks a innovative breakthrough in China's nuclear power high technology and provides a successful experience for the use of atomic energy for peaceful purposes.

Satellite Network Entry Verification Achieved

HK2607142391 Beijing XINHUA Domestic Service in Chinese 0443 GMT 25 Jul 91

[Dispatch from reporter Xu Zhimin (6079 1807 2404), correspondent Zhang Yanwei (1728 1750 5898): "Our Country Is Now Capable of Verifying Foreign Marine Satellite Stations' Network Entry Ability"]

[Text] Beijing, 25 Jul (XINHUA)—Our country will be offering foreign marine satellite stations the service of verifying their network entry [ru wang 0354 4986] ability. Such technological capability was yesterday highly commended by the International Marine Satellite

Organization, thus marking a new level of our country's space testing and control technology.

With the extensive application of marine satellite technology to navigation and cargo-ship transport, many countries have in recent years built marine satellite stations. According to international organizations' requirements, newly built satellite stations must go through a series of standard functional tests, and will not be admitted in the international marine satellite communication network until they pass the qualification. At present there are only a few countries such as the United States and Britain having the technological capability of network entry verification.

The multifunctional testing and control station recently built by our country passed through two international marine satellites positioned above the Pacific and Indian Oceans, conducting technological testing on the newly built marine satellite stations in the regions and conducting tests and monitoring these international marine satellites. By way of the technological tests, our country can also conduct functional checks, surveys of anomalies, and malfunction diagnosis, all of which can help ensure satellites' normal operation.

Responsible persons of the International Marine Satellite Organization recently visited our country's satellite testing and control facilities and felt China's satellite testing and control technology has been developing rapidly and will be playing an important role in world's employment of marine satellites.

Military

Bo Yibo Speaks on Sun Zi's Military Thesis

HK0708043591 Beijing RENMIN RIBAO in Chinese
30 Jul 91 p 4

[Address by Bo Yibo (5631 0001 3134), Central Advisory Commission vice chairman, at the seminar for the publication of *Sun Zi's Military Strategy* picture-storybook series: "Let *Sun Zi's Military Strategy* Serve Socialist Modernization"; place, date not given]

[Text] *Sun Zi's Military Strategy* is the oldest extant military book, not only in China but worldwide as well. It occupies a very important place in military history and has always been highly commended by people around the world. The United States, the Soviet Union, Japan, Britain, France, Germany and other countries have all published large numbers of translations and works on the book, gleaning from it ways to handle reality. It is said the combat principle of U.S. "air-ground single-body combat—penetrative attack" was based on the principles in *Sun Zi's Military Strategy* of "changes in the sequence of the use of combined arms and services" and "attacking not where the forces concentrate but where they are at their weakest." Nixon and Brezinski and other noted Western political personalities repeatedly quoted from it in their works. West Point and other

world-famous military academies made *Sun Zi's Military Strategy* compulsory reading. Japanese went further and applied the strategic and tactic thoughts in the book to enterprise operation management and gained tremendous success from it.

Sun Zi's Military Strategy is a big contribution to human civilization by the Chinese people and a very valuable intellectual heritage. We have not, regrettably, done enough research or given enough publicity—much less application—to the work. In some aspects we even lag behind foreigners. It is hoped that the publication of the picture-storybook adapted from the *Sun Zi's Military Strategy* can promote research and application of his military strategy.

What makes the book as relevant as it was 2,000 years ago? The most basic reason is that the book is permeated with naive materialism and dialectic thinking. Sun Zi relied precisely on this kind of thinking when studying war, which also helped him find some of the regularities of war. The central thought in *Sun Zi's Military Strategy* is seeking truth from facts and adroitly guiding action according to circumstances. No matter how war circumstances change and weapons differ, therefore, the basic strategies and tactics in *Sun Zi's Military Strategy* remain as vital as ever. The key in studying the book lies in understanding the philosophical truths and grasping their logical corollaries, and not mechanically memorizing the words. We must place a topic in its context and be able to be totally immersed in the book, and let intuition guide our application. In this aspect, Chairman Mao left us with good examples. There are many occasions in his military works when he applied principles in *Sun Zi's Military Strategy* and creatively studied and solved the strategic and tactical problems for Chinese revolutionary war. I feel that combining the study of *Sun Zi's Military Strategy* and Mao Zedong's works on military strategy will make it easier for us to understand the former.

The study and research on *Sun Zi's Military Strategy* is aimed at applying those valuable strategic and tactical thoughts in the book to the service of socialist modernization. The first thing, of course, is to serve the national defense construction. The arguments about basic elements such as the "five factors" (the way, heaven, earth, generals, and orders) and "seven whether's" (whether the emperor is just, generals are capable; whether you or the enemy has the climatic and geographical advantages; whether commands and orders are enforceable; whether you or the enemy has the numerical advantage, soldiers well-trained or not; and whether reward and punishment are explicit and consistent), which can determine the outcome of war, and also the series of principles on army ruling, authority over troops, and combat command in *Sun Zi's Military Strategy*, still carry positive value in analyzing and guiding hi-tech modern warfare. Earlier in the Gulf War, *Sun Zi's Military Strategy* was widely read among U.S. officers and soldiers. We can say that U.S. victory in the Gulf War was a result of a relatively successful application of the book's basic principles: "top

armies win war by concentrating on foiling the enemy's strategy, next come those which win only when coming to actual engagements, then there are those who rely on weaponry as their advantage; the worst armies are those which could not secure victory without having to come to the final stage of attacking enemies' last bastions," and "the cream of the cream of the army wins without actual engagements." Of course, this is only my personal guess and is not necessarily accurate.

The military value of *Sun Zi's Military Strategy* does not need introduction, and it has shown increasingly great value on the political, economic, and diplomatic fronts. Today I would like to focus on the ways to apply *Sun Zi's Military Strategy* to enterprise operation management; how it could serve our economic construction. President of the Japanese mai ken qi [7796 5146 7871] Corporation, da qian yan yi [1129 0467 4282 0001] called *Sun Zi's Military Strategy* the "ultimate textbook on enterprise operations," saying that "no book can provide us with such rich operation management ideas like *Sun Zi's Military Strategy*." It has "inexhaustible strategic thoughts. It gives me unlimited imagination every time I read it." The view of this Japanese makes sense. There is much to do in applying Sun Zi's military strategies to guidance of operations and management. Here are some examples:

Sun Zi says: "The way lies in making sure that people's wishes are the same as the emperor's. If that is the case, people will die or devote themselves to the cause, and will never be treacherous." "The side which secures consensus between the ruling and ruled wins." That is to say, if there is consensus and unity between those above and below, with one mind and a single motivation, any difficulties will be overcome. Therefore, the policies of a country or an enterprise must first safeguard the country's or collective interests, while showing concern for workers' interests. If workers organically combine these two interests and unify them under a common goal of striving, they will voluntarily and willingly make "factories their homes, work hard with 'two references, one improvement, and three combinations.'" In operation management, therefore, we must handle well the interest relations between the state, collectives, and individuals.

Sun Zi says: "One hundred victories in 100 battles if every time you know both yourself and your enemy well." These eight characters are almost household words, but it will be tough to put them into practice. Many of our enterprises suffered losses or were cheated in foreign economic activities because they failed to carry out the above statement. "Wise emperors and good generals win victories and achieve outstanding success because they know what is coming ahead of others." In order to establish itself in strong international competition, beat its opponents, and grow continually, an enterprise must make great efforts to understand both its own and its opponent's strengths and weaknesses. For its part, it must play up its strengths and avoid its weaknesses; facing its opponent it must avoid its strengths and attack its weaknesses. Only thus can it seize initiative and gain an invincible ground.

Sun Zi also says: "There is no unchangeable situation in battle, just as there is no unchangeable shape to water. Insight is that which enables us to adapt to the enemy's changes and win victories." Applying this to operation management, it can be understood as such that clients' demands, markets, and enterprise environment are all constantly changing. A good enterprise is one which can continually produce new products according to change. Japan's Sony Corporation is one that has made good use of this principle, making changes according to competition conditions and customers's requirements and continually reforming organization and marketing new strategic products, keeping the firm at its leading position. Many of our country's enterprises have a very poor sense for, and ability to respond to market changes, and this has been an important reason why rationalization in production structure and product mix have been hampered. Educating enterprise operation management staff and strengthening them for changes with *Sun Zi's Military Strategy* is a very meaningful job.

There are many ideas in *Sun Zi's Military Strategy* that can be used in enterprise operation management. I have just provided only a few of them. I cited them in order to get people to pay serious attention to the book and to develop and extend this job in a sound way.

Commentator Lauds Soldiers' Party Spirit

HK0608133091 Beijing RENMIN RIBAO in Chinese
30 Jul 91 p 3

[Commentator's Article: "Praising Spirit of 'Thousands Upon Thousands of Horses and Soldiers Heeding Party's Call'"]

[Text] For a party organization, or an individual party member, how to respond to the CPC Central Committee's orders is a solemn problem of party spirit. In particular, under the new situation of developing socialist commodity economy and upholding the reform and opening up, how to properly handling this is a big problem which has a bearing on whether the party's basic line, principle, and policy can be implemented at the grass-roots level, and on whether the party can materialize leadership over the undertaking in socialist modernization construction. In this area, the party committee of a certain group army of the Beijing Military Region answered excellently in terms of ideology and action. Their spirit of "thousands upon thousands of horses and soldiers heeding the party's call" is worthy of praise and learning.

The party constitution clearly stipulates that the whole party obeys the CPC Central Committee; it is the political discipline which the whole party must observe. The whole party can maintain strong unity and a high degree of centralization, and lead the people in the whole country to strive hard to build our country, only if we can listen to the CPC Central Committee's orders.

The CPC Central Committee's orders gather the whole party's wisdom and are proposed according to objective

conditions; they represent the highest interest of the whole party and the people in the whole country. Obeying the CPC Central Committee's orders for every action is obeying the highest interest of the whole party and the people in the whole country, as well as the concentrated manifestation of the concept of the overall situation.

Since the Fourth Plenary Session of the 13th CPC Central Committee, the CPC Central Committee has proceeded from making the party's discipline solemn, and seriously grasped the party's overall construction, scoring marked results. The whole party and the people of various nationalities in the whole country closely unite themselves with the CPC Central Committee which has Comrade Jiang Zemin as the core, forming a situation of good social order, political stability, and economic development. Recently, during the struggle against floods and for relief work, the emerging style of sacrificing small family for big family, and subordinating partial interest to overall interest; and the spirit of wholehearted unity, fearlessness of difficulty, and striving together, have once again proved that our party has appeal and centripetal force among the masses of people, and that the party has a flesh-and-blood tie with the masses of people. Members in the whole party must really value this situation, and use actual actions to develop this good situation.

The Seventh Plenary Session of the 13th CPC Central Committee and the Fourth Session of the Seventh National People's Congress decided to resolutely push forward reform and opening up. The whole party should emancipate mind, uphold pragmatic attitudes, and do things according to the actual conditions of their places and departments, doing a good job in reform and doing various tasks well. But one point must be made clear, and that is, no matter what reform we carry out, it can be successful only under the party's leadership. In the process of reform, it is a normal situation when different localities and departments experience losses and gains, or more gains or less gains compared with others. Therefore, during reform, party organizations at various levels and members in the whole party must voluntarily listen to the CPC Central Committee's orders for every action. They must listen to the CPC Central Committee's order not only when things are smooth and benefits are available, but must do so voluntarily when things are difficult and disadvantages have to be endured. Thus, every order by the CPC Central Committee can rapidly change into the unified action of the whole party and the people in the whole country, and the inevitable outcome is steady materialization of our strategic goals!

Army Paper Stresses Ideological Work

HK0608154091 Beijing JIEFANGJUN BAO
in Chinese 24 Jul 91 p 3

[Article by Gu Jing (7849 0513): "Attach Importance to Ideological Work: Personal Experience in Studying Comrade Jiang Zemin's 1 July Speech"]

[Text] In his 1 July speech, Comrade Jiang Zemin particularly pointed out that "ideology is an important field of the struggle between those in favor of peaceful evolution and those who are against it." He demanded that "party committees at all levels attach importance to ideological work, strengthen leadership over this field, and firmly keep in their hands leadership over all sectors related to ideology." The leading comrades of the central military commission have also repeatedly noted that the proletariat must hold the initiative in its hands and assume the offensive in the ideological field. Studying these instructions is of extremely important significance if we want to uphold more steadfastly the four cardinal principles, carry on reform and opening up, and intensify and expand the socialist economic basis in the new situation.

Attaching importance to ideological work and holding the initiative in ideological struggle is an objective requirement for our effort to intensify the socialist economic basis and to uphold and develop the socialist system. According to the historical materialist theory of the economic basis and superstructure, any class which has seized political power and established economic relations that conform with its interests must not only intensify its political rule but also set its ideology as the dominating ideology of society, and at last consolidate and upgrade its dominance over the economic field. As pointed out by Marx and Engels: "In every period, the ruling class ideology is the dominating ideology." It must be noted that after a social ideology has emerged, it will remain relatively independent; while the economic relations from which it has stemmed continue to exist, this ideology will perform the function of protecting, intensifying, and developing them; and when such economic relations are destroyed, this ideology will not immediately vanish but will continue to exist for quite a long time, undermining the new economic basis. Subject to certain conditions, this old ideology will also combine with other forms of class struggle and serve as a strong force to subvert the new social system and to restore the old system. For this reason, every class which has seized political power will never treat lightly this matter of life and death. In China, after the completion of the "socialist transformation of agriculture, handicrafts, and capitalist industry and commerce," although exploiting classes as classes were eliminated, their ideologies, especially bourgeois ideology, has not disappeared from the historical stage but continue to compete in various forms with proletarian ideology. The proletarian ideology, though representing the interests of all the people, cannot possibly be readily accepted by the people. Only after unremitting ideological education will it be possible to make all the people realize and work for their fundamental interests. Therefore, politically, we have openly declared that we will establish the people's democratic dictatorship, namely, the proletariat's political rule, and, ideologically, we will promote proletarian ideology as the dominating ideology. This is in keeping with the principle of letting a hundred flowers blossom and a hundred schools of thought contend and the policy of promoting democracy

as well. Our purpose in implementing the "double-hundred" principle is to intensify the position of Marxism and expand its influence; we are not to allow full play to erroneous or even reactionary ideologies and let them weaken and overthrow the proletariat's rule.

Attaching importance to ideological work and holding the initiative in ideological struggle is a conclusion drawn from our experience in the class struggle on the ideological front after the founding of the PRC. China's constitution has defined the CPC's leadership and Marxism-Leninism's guiding role. Hence proletarian ideological dominance is provided for by the state's basic law. However, this has not automatically resulted in, nor does it mean the elimination of bourgeois ideology. The proletariat wants to remold the world according to its own world outlook, and the bourgeoisie wants to do so according to its version, too. As soon as we slightly lower our guard in this respect, bourgeois ideology will take the opportunity to gain ground or even prevail unchecked. In recent years, supporters for bourgeois liberalization in China have collaborated with hostile forces abroad. They first of all launched furious attacks against the proletariat in the ideological field, shouting that "Marxism-Leninism is outdated" and that "socialism has failed," in an attempt to repudiate the party's leadership and the socialist system and to promote "wholesale westernization." This caused great ideological confusion and finally gave rise to the turmoil that occurred between the spring and summer of 1989 and later the counterrevolutionary rebellion in Beijing, bringing the socialist system to the verge of subversion. This bitter lesson reminds us that in a socialist country, one must not hesitate to let the proletarian ideology occupy the ideological and cultural realm and to establish the dominant and leading position of proletarian ideology in this regard.

Attaching importance to ideological work and holding the initiative in ideological struggle is an objective requirement arising from the current situation in the international class struggle. Since the birth of socialism, international imperialists have made the elimination of the newborn socialist system their unchangeable goal. While intimidating socialist countries with their armed forces, they have been promoting "peaceful evolution" by various means, attempting to exert influence on the people of socialist countries and, in particular, to poison young people in these countries with bourgeois ideology and values. Because of the corrosion of the bourgeois ideology, some people have been wavering in the faith in socialism, and, what is more, drastic changes have taken place in some socialist countries. Under such circumstances, we are of course faced with the long-term struggle to counter "peaceful evolution." In face of the offensive of bourgeois ideology, we cannot always passively act on the defensive, but must take the initiative in launching an offensive. We should reveal the decadent nature of capitalism and its inevitable doom, arm the people, especially the young generation, with proletarian ideology, thus frustrate this "war without the smoke of

gunpowder" launched by international reactionary forces, with our firm faith in socialism.

Attaching importance to ideological work and holding the initiative in ideological struggle is a requirement determined by the special characteristics of ideological struggle. Ideological struggle is different from military and political struggle. In this kind of struggle confronting ideologies cannot ally with each other. In view of its own fundamental interests, the proletariat can form a political alliance with other classes in a certain period, on the basis of certain principles and conditions; and the different classes can make allowances for each other's class interests. At the same time, however, the proletariat cannot ally with other classes ideologically and accept their ideologies as "reasonable" ones. For a long time in the past, the Communist Party implemented a policy by which it allied with the national bourgeoisie politically. However, it has never forsaken the theory of surplus value. For the present, to advance socialist modernization, we should take the initiative in having dealings with developed capitalist countries, learn advanced science, technology, and management experience from them, and encourage them to make investments in China. However, as far as ideology is concerned, we must try very hard to eliminate the negative influence they are to bring in. As far as ideological struggle is concerned, we must not tolerate any attempt to deny the differences between right and wrong theoretical and ideological views and to repudiate ideological views that should be vigorous promoted.

Of course, when we say the proletariat must attach importance to the ideological work and hold the initiative in ideological struggle, we mean to do it in the spirit of seeking truth from facts and by the means of reason, under the guidance of the party's principle and policy for good ideological work. The proletariat's ideological dominance cannot be established by administrative means alone like the establishment of its political rule. The proletariat cannot force people to think in a certain way and not to think otherwise. In promoting its ideology as the dominant ideology, the proletariat must on the one hand depend on the development of the socialist economy and profoundly convince people of the superiority of the socialist system; on the other hand, it must carry out patient, in-depth, and long-term positive education among the masses. Even in the struggle against erroneous bourgeois ideas, the proletariat should still uphold the principle of "presenting the facts and reasoning things out" and overcome them in terms of theory and practice.

Yan Mingfu Attends Xinjiang Two Support Talks

OW0608171691 Urumqi Xinjiang Television Network in Mandarin 1555 GMT 5 Aug 91

[Report by Yang Hongxing; from the "Xinjiang News" program]

[Text] A Xinjiang Uygur Autonomous Region meeting on the work of supporting the Army and giving preferential treatment to families of revolutionary martyrs and

servicemen, and supporting the government and cherishing the people opened at the Xinjiang People's Hall this morning. [Video opens with a long shot of the Xinjiang People's Hall, with a red-and-white banner reading "Warmly Celebrate Convocation of Regional Two Support Work Meeting" in Chinese and Uygur hung across the outside of the building]

At 1030, with 1,500 militarymen and civilians of various nationalities lining the street and applauding, party, government, and military leading comrades of the state, the Lanzhou Military Region, and the autonomous region joined representatives to the meeting in entering the hall.

Seated on the rostrum of the hall were Seypidin Aze, vice chairman of the National People's Congress Standing Committee; Wang Enmao, vice chairman of the National Committee of the Chinese People's Political Consultative Conference; Yan Mingfu, vice minister of civil affairs; Yu Yongbo, deputy director of the People's Liberation Army [PLA] General Political Department; Cao Pengsheng, political commissar of the Lanzhou Military Region; and Zheng Baosen, political commissar of the Lanzhou Military Region Air Force; as well as regional party, government, and military leaders Song Hanliang, Tomur Dawamat, Tang Guangcai, Gao Huanchang, Janabil, Li Shoushan, Amudun Niyaz, (Zhang Fusen), Jin Yunhui, and Guo Gang.

Comrade Gao Huanchang officiated at the opening ceremony.

A young pioneer read a message of greetings to the meeting.

Comrade Tomur Dawamat delivered the opening speech. On behalf of the regional party committee, the regional people's government, and the Xinjiang Military District, he extended a warm welcome to the meeting's attendees. He said: In recent years, Xinjiang has made advances in its two support work by following the party's basic line as guidance, proceeding from the reality in the region, and bearing in mind the overall stability and development under the leadership of the regional party committee, the regional government, and the Xinjiang Military District. The concept of the inseparability of the PLA and people of all nationalities has taken root in the hearts of the people. Unity between the army and the people and among people of all nationalities has grown even more solid. An atmosphere where people of all nationalities regard the troops as the great wall and the people's soldiers see Xinjiang as their home has basically prevailed in the region. People of all nationalities have further enhanced their concept of national defense, patriotism, support for the army, and awareness of improving two support work, thereby deepening the two support campaign in Xinjiang. We must diligently study general secretary Jiang Zemin's 1 July speech, and understand the strategic importance of ensuring a good job in two support work and strengthening unity between the army and the people and among all nationalities in

striving to push Xinjiang's two support work to a new level and contribute to promoting stability and development in Xinjiang.

Yusufu Aisha, mayor of Urumqi City, and other comrades briefed the meeting's attendees on advanced experiences in two support work.

'Great Decisive Battles' Film Series Reviewed

HK3107142691 Beijing JIEFANGJUN BAO
in Chinese 16 Jul 91 pp 1,3

[Article by Jiang Siyi (1203 1835 3015), Yao Jie (1202 2638), Zhou Hongyan (0791 1347 7159), and Jiang Tiejun (1203 6993 6511): "Unprecedented, Monumental War Film, Magnificent Revolutionary Epic—After Watching the Film 'Great Decisive Battles'"]

[Text] With the warm concern of the party Central Committee, the State Council and the Central Military Commission, the feature film "Great Decisive Battles," shot by the 1 August Film Studio, has been released nationwide as a present to honor the 70th anniversary of the birth of the party. The whole film is divided into three segments, each of two parts, entitled "Liaoxi-Shenyang Campaign," "Huai-Hai Campaign" and "Beiping-Tianjin Campaign," and can be described as an unprecedented great war film and revolutionary epic in our country's film history. There is nothing but praise from the audiences after the previews of its first and second parts. General Secretary Jiang Zemin, after watching the film, commended it, saying: "The shooting of this film was better than some of the past large-scale war films. It has a magnificent horizon, grand scenes and numerous characters; it is very bold, intellectually profound and artistically inspiring." Yang Shangkun, Li Peng, Li Ruihuan, Wang Zhen, and other party and state leaders also highly commended the film.

The great decisive battles that took place 40 years ago in the great land of China and decided the future and fate of the Chinese people—the Liaoxi-Shenyang, Huai-Hai and Beiping-Tianjin campaigns—began on 12 September 1948 and ended on 31 January 1949, lasting 142 days. The two warring parties successively committed close to 5 million troops. In scale and battle ferocity the campaigns were unprecedented in the history of Chinese and foreign warfare. As a result of the battles, the People's Liberation Army [PLA] eliminated a total of 1.54 million Kuomintang [KMT] soldiers, and the battles proved decisive, being instrumental in the birth of the PRC. The film not only displays the entire process of the great historical events of the three great campaigns, depicting truthfully the grand and heroic scenes of revolutionary battles, but also provides many historical insights that will set people thinking, and has a high degree of unity of ideological content and artistic value.

The film concentrates on portraying, in a weighty and intense tone and with abundant historical information, the military strategies of the supreme commands of both sides during wartime, and passionately eulogizes the

intriguing and sophisticated parts of Mao Zedong's military thought, especially his thought on the decisive strategic battles.

We all know that a decisive strategic engagement is a great contest that decides the final victory in a battle. The fighting in the decisive engagement stage was the most intensive, complicated and volatile and the hardest in the entire liberation war. In the three great campaigns, the enemy's and our supreme commands were engaged in fierce contest. To be fair, both supreme commands were astute and resourceful and made many "good moves." But our army's supreme command devised strategies within its command tent and proved one step ahead of the enemy and successfully neutralized each of the enemy's "good moves." The reason "Great Decisive Battles" is attractive and provides historical insights lies first in the fact that a relatively large portion of it is devoted to graphically depicting the contest between our and the enemy's supreme commands from an overall perspective of the entire battles, dealing with key moves with meticulous care and flawless artistry and enabling the audience to appreciate profoundly the outstanding and sophisticated art of command of our Army supreme command and war zone commanders.

Winning a war is a result of the combined work of various relevant factors, and so is victory in battle. The film takes this basic concept as a guide and, keeping the entire age in perspective, and through meticulous description of various specific instances, digs deeply into relevant political, economic, diplomatic, cultural, moral and psychological factors intimately related to and having a bearing on the outcome of the war and examines how all these played a constraining role on the three great campaigns. Thus the audience is helped to perceive how things developed from tiny events and understand all factors that contributed to victory in the three great campaigns against a wider and deeper background.

War is the continuation of politics. The Communist Party, headed by Mao Zedong, and the reactionary KMT, headed by Chiang Kai-shek, respectively represented the two different political forces in modern Chinese society. Chiang Kai-shek stood for the interests of China's big landlords and bourgeoisie. As early as 1927 Chiang Kai-shek had violated Dr. Sun Yat-sen's teachings, betrayed the revolution and brandished a butcher knife against the CPC and working people and peasants and waged a 10-year civil war. Even in the historical period of CPC-KMT collaboration against Japan, he did not for a moment forget to weaken and eliminate the CPC and the people's armed forces under its leadership. After Japan surrendered in 1945 and the plot to try to force the CPC into submission by way of negotiation failed, he immediately started his war machine with the support of American imperialists, launching full-scale attacks on the liberated areas. The CPC, which represented the interests of China's proletarian class and the broadest mass of the people, after all of its peaceful bids to establish an independent, free, democratic, rich and powerful New China were rejected by Chiang Kai-shek,

had no choice but to lead troops and people in the liberated areas to counterattack, now determined to smash the enemy's attacks by means of a people's war. Just and unjust nature in this war was the most fundamental factor responsible for the ultimate defeat of Chiang Kai-shek's reactionary power and its troops and the ultimate victory of the Chinese people and its troops under CPC leadership.

In handling this aspect, the film adopts an approach that exploits the art of cinematography and foregoes simplistic and empty preaching. It makes graphic and lively statements of profound philosophical truths through the activities of historical figures. For instance in "Huai-Hai Campaign," the scriptwriters and cinematographers create Ding Xiaoe, a common and ordinary person, and convey profound historical enlightenment through the character. Ding Xiaoe is a messenger in the KMT army under the Qiu Qingquan Corps, scores "war merits" in the battle in which the Qiu Corps has acted as reinforcements for the Huang Baitao Corps, and wins appreciation from Qiu Qingquan. To highlight the unjust nature of the launching of the war by the Chiang Kai-shek bloc, the film arranges for a scene resonant with meaning: Qiu Qingquan personally drapes the KMT flag, conferred on him by Chiang Kai-shek, on Ding Xiaoe, then salutes and toasts him. It was extremely hard for a KMT foot soldier to receive such an extraordinarily honor, but when Qiu Qingquan asks him—"how did you join the KMT Army"—Ding Xiaoe gives an answer that leaves Qiu extremely embarrassed: "I was 16 that year, selling eggs at the station. A platoon commander in a car told me to hold the egg basket a little higher. I did so, standing on tiptoe, and he grabbed me and pulled me into the car, put an army hat on me, and in this way I became a KMT soldier." The answer reflected truthfully how the KMT army unscrupulously pursued forced recruitment and the historical fact of its waging an antipeople war. It is hard to imagine how this kind of war could win people's support, how this kind of army could boast any genuinely strong combat power, and how such soldiers could voluntarily sacrifice themselves for the KMT. And this is exactly what happens when Ding Xiaoe, in a search for captured PLA soldiers, meets people from his home village and learns that there has been land reform in his home village and that a plot has been assigned to his name. The same evening he, together with four of his men and four rifles, goes over to the PLA side, puts on a PLA hat, and throws himself into battle. Ding Xiaoe is a fictitious character, but it reflects historical truth and historical inevitability. In the years of the liberation war, there were thousands and thousands of such KMT soldiers as Ding Xiaoe. During the three great campaigns, close to 400,000 KMT troops revolted and surrendered to the PLA and were redesignated, over one-fourth of the total number of eliminated KMT troops. There were quite a number of KMT troops who turned their rifles around, joined our army and became "liberated soldiers" after the first stage of liberation in the Huai-Hai Campaign, and were promoted to squad or

platoon commanders. Such a phenomenon was rarely seen in the history of Chinese or foreign warfare.

Economic conditions are also one of the important conditioning factors in war. Early in the liberation war, Mao Zedong put forward as a basis of argument that Chiang's "economic difficulties" and our "workable economy" would determine that Chiang must go and we would win. On this issue, the film does not resort to empty preaching, but makes profound revelations by detailing Chiang's failure in his "tiger-hitting" campaign, and the practice of the principle "mutual help and farming and combat" by people in the liberated areas.

The film sticks to history as its "main theme" and, with the historical materialistic understanding that "soldiers and people are the two assets for victory" as its basic point of departure, passionately hails the brilliant achievements of tens of thousands of PLA soldiers and people battling in a bloodbath and charging forward over fallen soldiers and the intimate feelings between army and people.

In sharp contrast with the KMT, the Chinese PLA, armed with Marxism-Leninism-Mao Zedong Thought and led by the CPC, was a people's army, made up of the sons of the people, organized and fighting not for the selfish interests of a minority or narrowly based blocs, but for the interests of the broad masses and the entire Chinese people. Therefore, the PLA loved the people and the people supported the PLA. Through the depiction of a series of representative persons and events, "Great Decisive Battles" shows us many touching scenes, reflects the close and intimate relationship between the army and people, and reveals the unparalleled power of a people's war.

First, the film highlights the revolutionary heroism of the broad mass of PLA commanders and soldiers, and eulogizes their spirit of battling heroically, braving hardship and death, and their fearless courage in overcoming various obstructions and difficulties. The images of Battalion Commander Zhang and the old cook in the Battle of Peishuichi, the shy young soldier and old squad commander in the Tashan interception, the "10-man bridge" in the battle at Zhanzhuang and the battalion commander and messenger in the Shuangduiji Battle are all realistic depictions of the reality of war. And the plot is touching and has very strong appeal.

Second, the film spends much energy etching out the touching scenes of people selflessly supporting the frontline and glorifying the real sacrifice and indelible contributions to the war victory by the broad mass of people. During the Tashan interception, a newly wed woman gives a big red chest, which is her dowry, to the troops for earthwork. In the Huai-Hai Campaign a newly wed couple do not even consummate their marriage before both of them throw themselves into the frontline-supporting current. The husband dies on the way to the frontline, but the wife presses on toward the frontline, pushing a cart and more determined than ever. The film

also depicts an event in which an old man from Yimeng carves on his wheelbarrow the names of all the prefectures, counties and townships he passes during the journey to the frontline. This is not a fictitious event. Today, in the Huai-Hai Campaign Memorial Museum there is displayed a small bamboo stick used by Tang Heen, who scored extra credit in frontline support during his frontline-supporting trek. He started from Jiaodong, and whenever he arrived at a place, he carved its name on the bamboo stick, with the result that there are the names of 88 chief towns and townships covering the three provinces of Shandong, Jiangsu and Anhui on the stick. And the scene in which bodies of martyrs are wrapped in shreds of clothing in the Huai-Hai Campaign is particularly touching. The face of the silently sobbing old woman certainly will long remain in audiences' minds. (This scene was not in the director's plan. When the crew was shooting the scene in which the people were washing the bodies of martyrs from our army, this old woman suddenly came on the set, and the look of the martyrs' "bodies" jolted her memory of a real event in bygone years and she could not help shedding tears. The cameramen immediately began filming, hence the profoundly touching scene in the film.) Although all these were insignificant droplets in the then grand frontline-supporting current, they reflected history truthfully. According to incomplete statistics, during the three great campaigns, close to 9 million nonmilitary workers supported the frontlines; over 1 million vehicles of different sizes were deployed and the delivery of grain alone accounted for 850 million jin. On the thousand-mile long transport line ran a never-seen frontline-supporting force, supplies being strapped on their shoulders or backs, or piled on carts or vessels, or borne by asses or stretchers. It braved hails of bullets, snows, rainstorms and hunger, climbed mountains and peaks and crossed ice-clad rivers, and thus created an epic poem of people's war. Comrade Chen Yi summed it up: "The victory of the Huai-Hai Campaign was achieved by the people, each pushing his small cart."

One of the outstanding features of "Great Decisive Battles" is its pragmatic, reasonable and appealing portrayal of many historical figures, successfully creating enormous psychological impact on the audience.

The shining images of proletarian revolutionaries of the older generation such as Mao Zedong, Zhou Enlai, Zhu De, Liu Xiaoqi and Ren Bi can be seen resurrected in the film in a realistic and graphic fashion. It also shows the heroic demeanor of frontline commanders such as Luo Rongheang, Deng Xiaoping, Liu Bocheng, Chen Yi, Nie Rongzhen and Su Yu. The portrayal of Mao Zedong in particular is life-like, reasonable and appealing. Mao Zedong was human and not a god. But he was no ordinary man. He was the supreme commander of the PLA and a military expert of superintelligence. Based on this basic concept, the film reflects fully and profoundly Mao Zedong's role as the supreme commander in the great decisive engagements. He is good at grasping momentous events and key problems, stands high and

sees far, is highly accurate in predicting the enemy's moves, is tough and decisive but ready to listen and adopt others' reasonable ideas. The film tells the audience with many different scenes that Mao Zedong deserved to be the supreme commander, and that winning the great decisive battles was inseparable from his brilliant command. At the same time the film also depicts Mao Zedong's other side, showing him possessing the same emotions as ordinary people, losing his temper when frustrated and beaming with joy at victories. He also had very personal "sentiments." The scene of him with poet Xiao San, a close friend of his since adolescence, and the scene of his asking his son Mao Anying and his son's girlfriend to join the land reform portray touchingly these "sentiments."

The film also gives a proper portrait of Lin Biao, who was a complicated historical figure. In the early years he joined the revolution, did some good work for the party and people, and was a talented high-ranking military commander. But he degenerated into the head of a counterrevolutionary gang, betrayed the party and his country and plunged to his death at Ondor Chaan. In the Liaoxi-Shenyang Campaign he made contributions as well as mistakes, and showed a positive as well as a negative side. The film shows how he is upset and hesitates to make up his mind to attack Jinzhou, owing to his failure to take Sipingjie during the summer attacks; but how energetic, active and effectively he conducts his command once he is determined to attack Jinzhou. The film gives the audience the impression that it handles historical figures in a fair and pragmatic manner.

When portraying Chiang Kai-shek, KMT supreme commander, the film tries hard to deal with his inner world, avoiding an improper stereotypical and caricatured characterization. It does not portray him as a woolly-minded, mediocre or bigoted commander, but as one who has ambitions and wants to turn the tide in the great decisive battles. He busily plies between Nanjing, Beiping and Shenyang, is cool and decisive on some occasions and composed in the face of danger. He is good at the manipulation of power and winning people's hearts, throwing a birthday party for Du Yuming's mother when the battle is at its height. The film uses a great many analogies to let the audience know that Chiang Kai-shek is defeated not from a lack of military talent, but because his opponent Mao Zedong is better than him and his politics are corrupt. He is defeated by the dire situation in which his commanders quarrel among themselves and military orders are not obeyed. Because of the restraints of these factors, all his struggles prove only futile.

Furthermore, "Great Decisive Battles" pools almost all the famous actors good at playing Chinese and foreign historical figures. These actors studied relevant history very hard before shooting and interviewed many old comrades who had had contacts with the historical figures in order to grasp characters' personalities and fathom their inner worlds. The historical figures in the film are all life-like, realistic and able to convince the

audience that "this is what I expect things would feel like." The success of the film is inseparable from the actors' efforts.

It deserves to be pointed out that the shooting of the film had the warm support of the departments concerned, all three PLA Headquarters, military regions, various large units, provinces and cities concerned, and the broad mass of the people in shooting locations. According to statistics, in the entire shooting process a total of 25 army-level units, 33 units of divisional and regimental level, and some 120,000 cadres and soldiers participated. The aggregate manpower numbered 3.2 million and the number of people participating in the film is 150,000. Forty cities and counties covering 14 provinces and cities were involved. Army troops took the shooting as an education in the tradition of revolutionary war and combat training; the masses supported the shooting in the way they did the three great campaigns in those years. To create a realistic scene of our army charging forward toward positions, cadres and soldiers all jumped into an icy river 20 degrees below zero Celsius. When shooting a meeting of high-ranking KMT officers convened by Chiang Kai-shek, many retired old cadres of our Army joked: "In the past we fought Chiang Kai-shek's officers, and today we play them in a film. This is another type of contribution." A certain firm in Nanjing sent hundreds of extras, who brought their own suppers, worked overnight and then adamantly refused any pay. In sum, one important reason for the film's success is that many units vigorously assisted, and the broad mass of commanders and soldiers and people have supported the film.

"Great Decisive Battles" is really a good film and good teaching material for education in party, military and war history and in the good tradition of our party and Army; and is also good material for national defense education. We wish the national release of the film success.

Economic & Agricultural

Economy Reportedly Continues Improvement

HK0608144891 Beijing JINGJI CANKAO
BAO in Chinese 23 Jul 91 p 1

[By Bao Yueyang (0545 2588 7122): "China's Economic Situation Continues To Improve"]

[Text] China has made new progress in improvement, rectification, and deepening reform in the first six months of the year, with the economy picking up faster and the social supply-and-demand relationship continuously improving; the entire economic situation developed in the direction of a better turn, as the State Statistics Bureau Spokesman Zhang Zhongji [4545 6988 1015] stated in Beijing on 22 July.

Continuous Improvement in the Social Supply-and-Demand General Volume Relationship

Initial estimates show that the gross national product is the first six months of the year was 820.7 billion yuan, up by 6.1 percent over the same period last year calculated at comparable prices, higher than the 2.1 percent growth rate of the same period last year. In terms of demand, investment in fixed assets in the whole society was 174 billion yuan, up by 14 percent over the same period last year, of which investment by units owned by the whole people was 96.3 billion yuan, up by 21.4 percent; total volume of social retail sales was 458.1 billion yuan, up by 12.8 percent. The pickup in demand played an active role in augmenting economic vitality. Presently, the overstock in circulation links is beginning to "shrink." In late June, the stocks in the social commerce goods and materials system was cut back by 45.3 billion yuan worth of goods from the beginning of this year; taking the seasonal factor into consideration, the shrink in stock was 20-some billion yuan worth larger than the same period last year.

A Turn for the Better Regarding Imbalance in Economic Development

Viewing various localities, we find an overall stepup of development. Gross industrial output value at and above township levels was 1,126 billion yuan, a 13.4 percent increase over the same period last year. The period saw universal growth in all 30 provinces (regions and municipalities.) Market sales in various places universally picked up, too. Regarding various economic factors, while the economy other than state-run maintained a rather high growth rate, the growth of the state-run economy accelerated, with its guiding role somewhat strengthened. The proportion of industrial output value of newly built industry owned by the whole people in the gross output value of all newly built industry rose to 44.8 percent from 14.2 percent over the same period last year. In the total volume of social retail sales, the proportion of sales volume of commerce owned by the whole people rose to 40.1 percent from 39.7 percent over the same period last year.

New Progress in Economic Reform

Since the beginning of this year, the government has in succession readjusted prices for steel products, raw iron, crude oil, oil products, coal, and railway freight, while implementing dual-track prices for cement; the readjustment of prices for edible oil in urban citizen rations has proved to be especially successful. Although the government has presented some price-readjusting measures, the general price level remains rather stable. In the first six months of the year, the general level of retail prices went up by 1.8 percent over the same period last year, of which, the price rise rate in May was only 3.1 percent, when prices for grain and edible oil were readjusted; the rise was smaller than expected. However, prices of products related to grain and edible oil and service charges in some large and medium cities went up by a

wide margin, affecting the rise in living expenses to a rather high level. Living expenses of workers and staff members in 35 large and medium cities in the first six months of the year increased by 6.9 percent, though the increase was 10.9 percent in June alone.

This has been the first year since foreign trade enterprises in China implemented the reform in assuming sole responsibility for profits and losses. The new structure has further given play to the enthusiasm of foreign trade enterprises. According to Customs statistics, export volume in the first six months of the year was \$30.4 billion, up by 18.5 percent, and the import volume was \$26.8 billion, up by 15.9 percent, with a change in the situation of a decline last year.

A Rather Good Harvest in Summer Grain and Edible Oil Crops

Although some areas suffered rather serious floods during harvest time, cutting back their output, in terms of the whole nation, a rather good harvest was reaped. Initial statistics show gross output of summer grain was 98.2 billion kilograms, a 1.9 percent drop from the record year; output of summer rape seed was 6.98 million tons, up by 350,000 tons from last year. Production of non-staple food grew steadily.

Income of Urban and Rural Populace Went Up

The per capita monetary wage of workers and staff members nationwide was 1,039 yuan in the first six months of the year, up by 11.6 percent; the per capita income in cash among peasants was 328 yuan, up by 10.7 percent. By the end of June, the balance of savings of urban and rural population had increased by 122.3 billion yuan from the beginning of this year.

In his briefing, Zhang Zhongji said, there are still many problems affecting normal economic growth in China today. Primarily, grave natural calamities in some areas. Second, industrial products kept in stock remains excessive. By the end of May, products of enterprises at and above county level kept in stock had increased by 20.9 billion yuan. And third, comparable cost of products went up by 4 percent over the same period last year. The increase in financial revenues was lower than that of production and circulation due to poor economic results. In addition, the potential pressure of inflation was great because of excessive issuance of banknotes a few years back.

Growth Reportedly Not 'Deteriorating' Environment

OW0608132091 Beijing XINHUA in English
1201 GMT 6 Aug 91

[Text] Beijing, August 6 (XINHUA)—China's environment has not been deteriorating over the past decade despite the fact that the speed of economic growth doubled, according to Qu Geping, director of the State Environmental Protection Bureau of China.

"The discharge of most pollutants has been kept at a stable level, and the environmental quality in some cities

and the ecological condition in some regions has even been improved," Qu writes in his newly-published book *Environmental Management in China*.

He goes on: "Considering China's present economic capacity, it is not easy at all to make these achievements. This proves that the policies and measures we have pursued have been correct."

Qu says that China has not neglected its environmental problems or implemented the wrong policy of "control after pollution" in the course of modernization, but rather adopted active prevention and control measures.

"As the modernization program is still going on in China, environmental protection has a long and tough way to go," he notes. "The vast territory, huge population, rapid economic development and problems left over by history have made the environmental situation serious."

The 333-page book, which is based essentially on Qu's personal experience as one of the leading environmentalists in China, was jointly published by the United Nations Environmental Program (UNEP) and China Environmental Science Press.

Commenting on the book, Mostafa Tolba, executive director of UNEP said that the author has made a positive first step toward an improved environment for China. "I have no doubt that this book will be a real addition to our knowledge and understanding of the issue of proper environmental management," he said.

XINHUA Provides Economic News Briefs

OW0408085091 Beijing XINHUA in English
0724 GMT 4 Aug 91

[Text] Beijing, August 4 (XINHUA)—Today's economic news brief:

Vegetable Bases

China has set up five bases for vegetable production in south China's Guangdong Province, the Guangxi Zhuang Autonomous Region, southwest China's Sichuan and Yunnan Provinces and east China's Fujian Province. These vegetable bases have ensured supplies even during winter for many cities of the country.

Rural Enterprises

The gross output of the rural enterprises in China in the first half this year reached 379.64 billion yuan, a 26.9 percent increase over the same period of 1990.

Summer Grain

Southwest China's Sichuan Province has purchased 1.4 billion kg of summer grain, meeting the state quota.

Hubei Exports

The total export volume of central China's Hubei Province in the first half this year reached 580 million U.S. dollars, a 13.7 percent increase over the same period of last year.

Trend of Enlivening Enterprises Analyzed

HK0608101191 Beijing JINGJI GUANLI in Chinese
No 6, 5 Jun 91 pp 10-13

[Article by Wang Depei (3769 1795 1014), edited by Liu Qichang (0491 0366 2490): "An Analysis of Trend in Enlivening Large, Medium-Sized Enterprises"]

[Text] In the process of increasing the weight of reform and enlivening the large and medium-sized enterprises, the strength of the policy and its workability and trend are the fervent points in people's discussion and hopes. The relatively extreme viewpoints are: The present problem is not enlivening but resurrecting the large and medium-sized enterprises; the reason why large and medium-sized enterprises cannot be enlivened is because the state wishes to undertake the enlivening, and if the state refrains from doing so, naturally they will come to life. At the moment, the large and medium-sized enterprises can only be put to death first before they can live and they can only be brought back to life after death.

What should be the motive in the change in policy strength? Could it be based on the subjective state, and the power level? Or could it originate from the innate demand of socioeconomic development? This not only directly affects the scientific character of the concrete policy changes but is also related to the correctness of policy understanding, the firmness in its implementation and even the degree of adequacy of the expectations. Hence, it is necessary to trace the motive causes concealed behind the "increase in the weight of the reform" and the cause of causes. In the past we were accustomed to attributing economic growth principally to policy and also to blaming policy for setbacks in economic development. Meanwhile, in rectifying "policy" with "policy," we frequently laid a foreshadowing hint for the next round of setbacks. As a result, we have always felt it was either rash and unrealistic or vague and uncertain.

At present, in increasing the weight of the reform, first of all we have an economic foundation which is manifested in the great development of the national economy brought along by the reform of over 10 years, that is, the comprehensive strength of the national power. Second, as with many of the large reforms in history, the problems brought along by the reform of the 1980's were vastly more extensive and deep than the problems which the reform has directly solved. Third, the international atmosphere has vastly changed, including the imbalance in the entire structure of international trade—the free trade structure established in the middle period of the 1940's being on the verge of disintegration. In other words, due to the role of the abovementioned three major economic factors, at the moment we have reached

the stage in which the weight of reform must be increased and the direction and area of the increase in weight must also be fixed and regulated. These three large economic causes may be divided into direct surface factors and concealed deep-lying causes:

I. Direct Surface Factors

1. Decline of economic effects. Concurrently with the macroeconomy becoming stable in the market and the recovery in production, there has been an increasing exposure of the "roots of illness" of state enterprises: A large-scale drop in realized profits and taxes, a large "collapse" in realized profits, profit rate of capital funds dropping to an unbelievably low state, comparable costs of production still rising vertically, and doubling of losses and deficits. If a general analysis is made of the causes of the delining economic effects, innumerable problems of poor quality of products caused by poor management of enterprises and lack of adequate self-control may be found. However, in comparison with this manifestation of "shortcomings," in the past one or two years there were even greater changes in the market problem as reflected in the target of "realized profit," that is, simultaneous with the large-scale recovery in production the problem of finding a market for the products was not correspondingly solved. Obviously, the situation of declining economic performance when the market is returning to normalcy brings out anew the deep-lying important character of the market and at the same time bestows on "increasing the weight of the reform" the hard tasks of increasing the enterprise's power of self-control and self-delivery.

2. Uneven economic circulation. In the last three years the funds for products doubled each year, causing the amount needed for circulating funds also to double. The direct effect was enterprises falling into a mire of indebtedness because of insufficient funds. The uneven economic circulation was also manifested in the trend for the appearance of different forms of economy, in blockades of commodity circulation areas and in the influx of foreign commodities on account of many ports being opened to the outside world. All these problems of revolving debts and indebtedness and of commodity circulation from both inside and outside the country have not only made the increase in the weight of the reform more urgent but also imposed more difficult and complicated tasks, making it necessary for single-project reform to take the road of reform of a coordinated and systematic pattern.

3. Financial pressure. The financial problem may be said to be the direct cause of increasing the weight of the reform. Last year, state subsidies for prices and enterprise losses were nearly one-third of financial expenditure. This state of affairs not only formed the irreversible nature of increasing the weight of the reform but also mapped out the guidelines for the "weight increase": On the one hand, on the social welfare side, the traditional policy of one party taking up the whole burden should be shifted to a policy of various parties bearing the burden;

and, on the other hand, enterprise reform should be changed from the policy of several years ago, when the delegation of power and ceding of interests were in vogue and the enterprises shared in profits but not in losses, to the policy of enterprises being responsible for both profits and losses.

4. Employment pressure. At the moment, each year the country must find employment for 5 to 6 million people, but the unemployment rate is still being maintained at 4 percent. This is an "exceptional mission" given to no other country in the world. For the state enterprises which are already half dead and meeting various kinds of difficulties this creates two enormous pressures: One is the pressure, created by the large numbers of superfluous staff inside enterprises, against the raising of the labor productivity rate; and the other is the pressure created by the large number of people awaiting employment on the state enterprises, which provide the main avenue of employment in socialist countries. These two sorts of pressure have mapped out the following limiting line for increasing the weight of the reform, that is, they can only insert the surplus and superfluous labor force into production posts, and cannot push them outside the factory doors as is customarily done by Western enterprises.

II. Hidden Deep-Lying Causes

The above-mentioned four large factors are of a surface nature. Hidden behind them are the periodical factors in China's economic development and the converted factors accumulated from history.

1. Economic periodical factors

Since the founding of the republic, China's economic development has passed through eight long and short periods. Although the various periods differed in duration, each generally went through the following stages: investment "starting"—credits and loans expanding—demand rising—economy expanding—serious "bottle-neck"—strain in funds—currency inflation—investments depressed—demand shrinking—economy declining—... In the past over 12 years of reform, the periodicity nature of economic development not only still persisted but also, because of the progress of the reform and strengthening of the nature of commodity economy, became more persistent. It also affected the enterprises' economic development and the strengthening and results of their enlivening measures. Generally speaking, when the periodicity state dropped from a high peak to a low ebb, the enterprises usually cut down their fixed investments, controlled institutional purchases, and strengthened financial and economic discipline, and their enlivening measures were in a more or less curtailed state; on the other hand, when periodicity was on the upward trend, the enterprises would increase their fixed assets investment (even to the extent of allowing their full amount to be interest-free), exercise laxity on institutional purchases, and become lenient in various ways in regard to financial and economic policies and

discipline, and the environment of their enlivening measures was frequently a lax one.

At present, China's economy has entered the gradient-climbing state of the eighth period, and the various enlivening measures have shown special signs of laxity and easing of pressure. From an analysis of the development condition of the various factors, if it is said that the preceding period was from 1985 to 1988, then this period is located from 1988 to 1991. Take Shanghai Municipality for example: In the various major economic variables the factors related to the strengthening of industrial production have begun to show an expanding trend, particularly so in the case of fixed assets investment (related coefficient being 0.59), their increases under the 1991 state budget being nearly a two-digit figure. Since the stagnation or retention period of the effects of a large amount of currency increase is usually 9-18 months, it is estimated that in the first half of next year the rise in the whole economy will touch a new limit and will shift anew to a downturn. This is because: Although China's present economic operation system, particularly the banking credits and loans structure (financial deficits and deficits of enterprises are debited from their bank accounts), can still support the enterprises' current production situation (the market's hard control still not in full play), the economy's expanding trend will in the end collapse before the sharp rise in the prices of materials (1988 has already offered this lesson). The environment and measures to enliven the large and medium-sized enterprises will eventually shift from currently being lax and of decreasing pressure to being restricted and of increasing pressure.

If all disadvantageous factors (such as the increasing of the weight of reform this year being outside expectation, a very poor agricultural harvest, and the occurrence of serious disasters) were crowded into 1991, then the situation would be quite different. For the sake of maintaining the basic order of socioeconomic operations, operations to enliven state enterprises would have to be temporarily put on the track of the "administrative management system." Although state enterprises would still accompany the commodity economy in continuously deepening the "enlivening trend," the periodicity nature in economic development would force on them a highly irregular path with twists and turns.

2. Historically accumulated factors of change

Although economic development is of a periodical nature, it is by no means simple or duplicated. Following the gradual formation of the general production conditions suiting China's industrial and economic development to large-scale industrial development, the historical accumulations through several score years have acquired a sort of a "sudden elastic capacity," that is, so far as China's industrial and economic development capability is concerned, it can no longer be balanced by the domestic market's normal demand and the various economic comparative relations. The fact that the three

large starting operations (loans starting operation, purchases starting operation and investment starting operation) which began at the end of 1989 failed to produce big results has already shown that China's economic expansion and dissemination capacity could not be contained within the country. Although in between there existed such factors as the structure not being in smooth operation and the various economic relations not being well-coordinated, the fixed laws in the economic process and the level of the social productive forces should still play the decisive role. When over-inflated production capacity cannot find an outlet, it will be stored up in an idle state, and the raw materials, the supply of which originally could not meet demand, will be stockpiled in large quantity. According to an analysis, China's basic industries could ensure an economic growth rate of around 8 percent, but in 1989 the growth span of China's GNP was only 3.9 percent. Failure of the economic growth rate to attain the level which it should reach was not due to the lack of resources but to the lack of market.

History has bestowed on us a new mission: The true balancing of China's economy lies in the transference of the elastic industrial and economic "expansion and dissemination capacity" to the theater of the world economy to fight for the share that should rightly belong to China. Nevertheless, the mounting of China's industry and economy onto the world platform was at an "inopportune moment." It was at a time of the international free trade era being on the verge of disintegration. Following this near disintegration of the world's currency structure and the free trade pattern, the world economy will enter a new era like that of China's era of the "warring states." In this smokeless war, certain developed countries, for the sake of protecting and expanding their own economies, have first resorted to expanding their capitalist scale and augmenting their strength and position through establishing transnational enterprises or engaging in merging and amalgamating operations so as to seize more markets and monopolize more profits. Concurrently, they have set up various kinds of trade barriers, while among certain countries tariff unions have been set up, thus building up united trade barriers against the outside and to resist the inroads of commodities from outside the group. Obviously, if efforts are not made as soon as possible to build an external "expansion and dissemination" road, namely the establishment of transnational enterprises, to fit in with the current pattern of world economic war, then the flying start of China's economy will be stifled within the country's confines.

Inevitability is not equivalent to actuality. Although China's industrial and economic order and the development condition of the large and medium-sized enterprises possess the inevitability of an era of country-straddling, yet this inevitability still belongs to an "innate" trend and is hidden behind actuality. The cause of the tragic state of affairs lies in the "nature of dualism": On the one hand, because of China's own successful development, the maturity stage of industry and economy and the accumulations of the enterprises' operations are already at the historical doorstep of

transnational development; whereas, on the other hand, this radiating trend is being restricted by its own tradition and the inevitable confusion and errors of the period of conversion. It is precisely this great divergence from transnational enterprises caused by this self-made obstinacy which determines the basic direction and contents of enlivening the state-run large and medium-sized enterprises (particularly in the coastal cities and towns).

III. Analysis of Special Features of Trend

Under the above-mentioned factors reciprocally playing their role, the enlivening of the large and medium-sized enterprises in recent years will manifest the following special features:

1. Getting out of the state of confrontation. The contradictions facing the state's large and medium-sized enterprises will grow from stalemated modernization to unavoidable intensification and from being neither dead nor alive to being either dead or alive.
2. Entering the stage of having responsibility for losses. In attaining complete independence, enterprises will evolve from the practice in the past few years of principally contracting for profits to the reality of contracting for, or being responsible for, both profits and losses.
3. This year principally there will be realization of a common understanding of ideology, reduction of pressure in policy and piloting and experimenting in actions.
4. In enlivening state enterprises next year and the year after next more efforts will be devoted to increasing the weight of reform on the sides of the enterprise's organizational functions, system and mechanism.
5. The whole "Eighth Five-Year Plan" period will be the process of limiting or ending the roots of defects of the large and medium-sized state enterprises and fully exposing their deep-lying contradictions, and is correspondingly the process of the enlivening policy gradually going into proper operation.

In short, during the "Eighth Five-Year Plan," "enlivening the enterprises" will take as its axis organizing and innovating. This is because the trend of economic development and the series of policy changes beginning from this year will exert a greater pressure on both the enterprise's leadership and its organizational form. This pressure is manifested on the one hand in the readjustment of the various kinds of economic interest relationships, and on the other hand in the further socialization suited to production and operation and also the further socialization of the form of ownership of the means of production, that is, in substance the current unitary state administrative ownership will tend toward more extensive social holding or ownership with many social constituents. Thus, enlivening the state enterprises will enter the hard-fighting stage of organizing and innovating. A new enterprise organizational form will be generated

from actual practice in pursuing the minimum in transaction cost, organization cost and reform cost, the special feature of which will be finding a road for transnational enterprises combining Chinese characteristics and international customary practices.

IV. Analysis on the Pattern of Reform

In order to make increasing the weight of reform more in harmony with objective laws, it is necessary to make a principal analysis of the problem of the pattern of reform, which has several times fallen into the realm of misguidance and error.

1. In reality, "reform" is not the choice of theory or policy but the result of the conflict of interests.

In the actual practice in reform, although changes in, and the role of, theory and policy do exist, it is to a limited extent. In particular, after reform's entry into the concrete stage, reform's pattern, as well as its basic motive force, will principally come from the conflict of various kinds of interests, that is, the conflict, adjustment and balancing of interests between various trades and industries, between urban and rural areas, between localities, and between localities and the central authorities.

Hence, in the process of increasing the weight of reform, we must avoid falling into subjective vain hopes, believing that the theory and policy of reform will determine all. In reality, in the final period of the 1980's in China, there did appear the attempt to "achieve all results at one stroke," while outside the country there was once the fable of the "500-day plan," which attempted a transition into a market economy within this short period of time. Both have given a vivid lesson to socialist reform. Those trends of entertaining too-high hopes on increasing the weight of reform and making an insufficient estimation of its difficulties and being unconcerned with them will all violate the objective laws.

2. Changing the form of rational efforts

Viewed from the angle of philosophy, the great changes that have erupted in China's economy were not merely the ups and downs of the major economic targets but were connected with the entire operational system moving from a state of closure and self-equilibrium into a state of a system of decontrol which was itself far from equilibrium. This was a basic change in the social economy. The greatest special feature in the system of decontrol is that, on the precondition of the exchange with the outside of a large volume of materials and energy, it took the opportune and self-organized form which did not adhere to any line in the shift from disorder to order. If it is said that in the past system the active significance of rationality meant the seeking of coordination and equilibrium, then in the decontrol system of being far from a balanced state rationality would mean control of the changes, that is, shifting from traditionally seeking a static equilibrium at a certain point in time to seeking a dynamic equilibrium. What the current planned

regulation confronts is not an increase or decrease in quantity but a shift from regulation of a pattern in kind to regulation of a pattern in value.

In other words, in the decontrol system the rational and active significance is in leaving a certain space or margin to opportune and self-organized inevitability. It is in the nature of guidance and a general framework, and is not concrete or clear-cut as in the traditional economy. In the process of change from disorder to order, the rational side of the changes is retained and the changes are not simply eliminated, that is, when the orderly rise and fall is too weak they will be adequately augmented so as to avoid a return to the status quo; and when the scale of the rise and fall is so large as to violate the process of an orderly shift, then it would be adequately cut down.

In short, changes in the operation system of the social system have challenged the traditional theory. Facing this challenge, we should not give up the scientific and rational efforts, but rather change their form. The original rational form was not wrong; rather, development of the times has surpassed tradition.

Labor, Personnel Ministries on Wage Reform

HK0508132991 Hong Kong CHING CHI TAO
PAO in Chinese No 30, 29 Jul 91 p 9

[CHINA ECONOMIC NEWS report: "Labor, Personnel Ministries Officials Speak on Wage Reform"]

[Text] In a statement on reforming the wage system, Labor Minister Ruan Chongwu believes enterprises may implement an on-the-job structural wage system [gang wei jie gou gong zhi zi 1511 0143 4814 2845 1562 6327 0455] from now on.

Ruan Chongwu said, from now on, enterprises should refrain from wholesale wage readjustment and promotion. The enterprises may implement an on-the-job structural wage system, and have its say in distribution, while the state will keep the enterprise's general wage volume under control. On-the-job structural wage is determined by such factors as labor conditions, skill, work quality, and contributions; wages of the enterprise's workers and staff members must be linked to economic results, while taking into consideration such factors as prices. In addition, Ruan said, from now on, all enterprise's subsidies may be included in wages.

The Personnel Ministry recently issued a circular on how to determine wages for flowing personnel, saying that while readjusting wages in state organs, enterprises, and institutions owned by the whole people, all those flowing personnel whose personal files are kept in qualified people exchange organs under the jurisdiction of personnel departments and who have retained their cadres' status of ownership by the whole people, may have their increased wages set and recorded in their own personal files provided they meet the state's requirements for promotion. When state organs, enterprises, and institutions owned by the whole people

recruit flowing personnel, they should by no means recognize wages readjusted or altered by qualified people exchange service organs other than those under government personnel departments.

Light Industry To Replenish Rural Markets

OW0608173891 Beijing XINHUA Domestic Service
in Chinese 2021 GMT 5 Aug 91

[By reporter Xu Kehong (1776 0344 3163)]

[Text] Beijing, 6 August (XINHUA)—As an independent rural market with unique characteristics is gradually taking shape, the marketing of consumer goods in China's vast rural areas has become less and less dependent on cities. With a view to facilitating early establishment of such a market, the Ministry of Light Industry has decided to develop some 200 additional kinds of products geared to rural demands, in order to provide more goods to satisfy the needs of peasant consumers.

Under a "three fixed" plan—the plan of "developing fixed products, designing at fixed prices, and trial manufacturing in fixed places"—formulated last year, the ministry has attached strategic importance to exploring the rural market. As a relevant official of the ministry has pointed out: The rural market will be the most important domestic market in the coming decade. The development of the market for consumer industry is already on the threshold in rural areas. However, because many consumer products are unsalable or bottled up in circulation channels, rural residents' needs for consumer goods are far from being satisfied. According to statistics, rural consumers accounted for more than half of last year's total retail sales, thus revealing the great potential of the rural market.

It is understood that the ministry will first manufacture and market, on a trial basis, some 200 kinds of products under the "three fixed" plan this year. Included are more than 20 major categories such as food, household electric appliances, plastic products, vinyl sheets for agricultural use, farm tools and machines, insecticides, fertilizers, and feed. Small farm tools and machines in short supply are listed under a key development project. In order to ensure a good job in the production and supply of light industrial products for rural consumers, the ministry has set up joint investigation teams together with the Ministry of Commerce to visit various northeastern and northern provinces to assess the situation and to clear the circulation channel. Zeng Xianlin, minister of light industry, has visited the Taihang Shan area, northeastern China, and Xinjiang to obtain firsthand information about consumer needs in rural, pastoral, and mining areas.

State Taxation Director on Restricting Exemptions

HK0208020391 Beijing RENMIN RIBAO in Chinese
26 Jul 91 p 2

["Dispatch" by reporter Yan Jianjun (7346 1696 6511): "Jin Xin, Director of State Taxation Administration, Says Promoting Production Does Not Mean Reducing Taxes"]

[Text] Beijing, 25 Jul (RENMIN RIBAO)—At the National Taxation Work Conference today, Jin Xin, director of the State Taxation Administration, said: It is necessary to correctly understand the meaning of promoting production and increasing revenue. Promoting production does not mean reducing taxes. There are various ways and methods for the taxation departments to promote production, such as offering information, helping enterprises enhance management, and unclogging the production, supply, and marketing channels. These methods are more effective than reducing taxes.

If enterprises really have difficulties and can meet the requirements of the state's industrial policies, Jin Xin pointed out, they may be exempted from taxes within the scope prescribed by the taxation regulations. However, it is necessary to strengthen effective management over tax exemption.

To apply the lever of taxation to promote production and increase revenue, Jin Xin stressed, it is necessary to observe the following principles: First, strictly enforce the existing tax laws; second, comply with the state's industrial policies; third, act within the authority of taxation management; fourth, have a clear target of efficiency in mind; and fifth, ensure fulfillment of the annual tax revenue plan. The method of not making any efforts but merely relying on the state's preferential treatment to invigorate enterprises will not work. It is also not recommendable to ask for tax exemption and sharing of profits when enterprises encounter difficulties. On the question of taxation involving foreign businessmen, Jin Xin said, we should safeguard the rights and interests of the state in taxation work involving foreign businessmen. It is necessary to duly offer preferential terms in taxation to enterprises which conform to the state's industrial policies, respect international standards, and further perfect the tax registration, declaration, and inspection system for foreign invested enterprises.

Vice Premier Tian Jiyun Inspects Wheat Field

HK0508134691 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 2 Aug 91

[Excerpts] It was a sunny day in late spring and early summer this year. The golden wheat in the 100,000 mu of high-yield wheat fields in Baoshan City waved in the breeze. Vice Premier Tian Jiyun, who came here on an inspection tour, observed the growth of the wheat in the chest-high wheat field with his sleeves rolled up. At one point, he inquired of local leading comrades about something, while at another he bent over to push aside the dense wheat. Caressing the wheat, he said in praise of the growth of the wheat: The wheat is growing really well. [passage omitted]

He told local leading cadres: There is 1 billion mu of mid- and low-yield fields across the country. We hope to increase only 100 jin of grain per mu through transforming the mid- and low-yield fields. If we succeed in this plan, we will have additional 100 billion jin of grain nation-wide. [passage omitted]

He told a peasant: You rely on scientific and technological achievements to raise per-unit yield. You are correct in doing so.

Commerce Minister Writes on Grain System Reform

HK0608120891 Beijing GUANGMING RIBAO in Chinese 19 Jul 91 p 3

[Article by Minister of Commerce Hu Ping: "On the Question of Reforming the Grain Circulation System"]

[Text] The question of reforming the grain circulation system is a very important one that is bound up with the overall national situation and demands a breakthrough through great efforts. Here, I would like to express ideas on a couple of questions regarding the deepening of the reform of the system.

The Significance of Reforming the Grain Circulation System

China is a vast country with a population of 1.1 billion, and feeding the whole nation is always the most important thing bound up with the national economy and the people's livelihood. If we have food in our hands, we will not be worried. Only when food for the people is secured, can they live and work in peace and contentment and engage in various other undertakings. This is a basic Marxist view that has been proved through our practice of economic development over the past 40 years or more. As far as our national conditions are concerned, our fundamental means to feed the people is to vigorously develop grain production. However, whether or not grain production can develop in a sustained and steady manner depends to a large extent on several important links of production including distribution, exchange, and consumption. As contrasted with grain circulation in market-economy countries, China's state grain departments are the major channels for grain circulation. They have large numbers of market transaction jobs, shoulder the distribution of a considerable volume of grain, and guide consumption. Therefore, whether grain circulation is properly managed or not has a bearing on grain production, on whether or not agriculture, which is the foundation of the national economy, can be strengthened, and on whether or not socialist production goals can be reached smoothly.

In light of China's national conditions and grain production, carrying out proper grain management is of great significance. In order to maintain economic and market stability and to improve the people's living standards, it is necessary to reform the grain circulation system. As the grain circulation system has not been properly straightened out, the fundamental position of agriculture is not now very stable. There were comparatively large fluctuations in grain production and on the grain market during the Seventh Five-Year Plan. Of these five years, we had stagnating output in three and increases in two, and the difference between the year of the highest output and that of the lowest was over 43 million tonnes. During production fluctuations, serious problems

occurred in grain circulation mechanisms. Because an effective grain market system has not been established and reasonable interest and macro regulation and control are lacking, coupled with several man-made factors such as loose management, administrative interference, and regional blockades, the "confusion" and "stagnation" in circulation have not been completely removed. Two years ago when there was a grain shortage, all sectors lent a hand, production areas built up hedges, and grain "wars" were endless. Over the past two years, as grain has been comparatively abundant, many channels have disappeared and sales areas have also had difficulties and taken some administrative measures. As a result, it is "difficult to sell, transfer, and store grain" as contrasted with the former difficulty in purchasing grain. In fact, this is a structural problem. Since our grain output has not always been sufficient, the contradiction that total demand is larger than total supply has not been completely changed. If we allow this situation to continue, it will be unfavorable to maintaining grain output, to supply and demand on the grain market, and to the stability of grain prices.

Another problem is that in recent years, the financial burden for grain has become heavier and heavier. This has, to a certain extent, retarded the development of the national economy. Since cheap grain purchase prices are higher than selling prices, the state's grain subsidies have drastically increased. The increase was not very considerable in 1987, but it leaped to over 40 billion yuan again last year. If subsidies for imported grain are taken into account, grain subsidies account for approximately 20 percent of total financial income each year. This is a frightening figure. The fact that China, a developing country, spends this amount on subsidies of grain really demands that we examine the reasons in the system. Western countries also have policies to support and subsidize grain. But they mainly subsidize grain production while granting target subsidies to consumers only by a small margin. For example, the Economic Community spends several dozen billion U.S. dollars subsidizing farmers. However, our situation is that grain subsidies for circulation in the four years preceding the Seventh Five-Year Plan were 4.5 times as much as the financial input in agriculture in the same period. Since the end of the 1970's, in order to support grain reform, we have paid a very high cost; now we cannot continue this. Therefore, if we do not continue to reform the grain circulation system, it will definitely hamper the development of the national economy. This point is becoming clearer and clearer.

Preliminary Ideas on Grain Circulation System Reform

Since the Third Plenary Session of the 11th CPC Central Committee, there have been achievements in reform of the grain circulation system. For example, the centralized grain purchasing system was replaced by the purchasing, marketing, and pricing "double-track system," thus gradually increasing the proportion of market regulation. While bringing into play the role of state grain business departments as major channels, we have opened up various

operating channels, developed various kinds of grain markets, and activated grain circulation. By purchasing, selling, and transferring grain and having each unit responsible for its own finance, the initiative of central and local authorities has been brought into play. City grain shops have effected "disparities between wholesale and retail sales," grain warehouses have instituted the "storage-charges" system, some profit-making enterprises have carried out the system of "paying taxes instead of profits," industrial and commercial grain enterprises have carried out "price control operations," and so forth. Since last year, the CPC Central Committee and State Council have attached unprecedented importance to grain circulation by confirming a series of policies for reform and development, thus expediting the process of grain circulation reform. Moreover, the state has recently raised the sales prices of cheap grain. In this way, the thing which the state intended to do for over 20 years has carefully been done, thus successfully scoring phased results. Generally speaking, China's grain circulation reform is indeed proceeding well, while the fast-developing situation is very pressing. Many of the reform measures still demand gradual implementation through arduous and careful work.

As regards how we should institute a new grain circulation system, grain business departments already have a rough idea. As far as the guiding thought is concerned, it is necessary for us to stick to the principle of depending on our own means to solve the problem of grain supply, to stick to the principle that combines the planned economy and market regulation, to integrate macro regulation and control and micro invigoration, and to institute the state-managed market system and circulation networks under the guidance of plans. As for the main direction of reform, the following problems should first be solved: First is the central problem of purchasing prices being higher than selling prices. The fact that purchasing prices are higher than selling prices conflicts with the price law and that purchases are more than sales conflicts with the principle of keeping expenditures within the limits of income. Second is the problem that there are insufficient means of macro regulation and control and micro regulation lacks vitality. This includes improving the graded reserve system, strengthening reserve means, setting risk foundations, reforming the grain financial system, and so forth. Third is the problem of peasants' interest distribution. For example, gradually dividing taxation and purchases, lightening peasant burdens, enhancing the transparency of distribution, and so forth. Fourth is adjusting the grain market. With the exception of basic-level markets, we should properly run central grain wholesale and local wholesale markets so that they will develop toward an institutionalized and standardized market where competition is open. Fifth is to solve the problem of the grain circulation management system so that centralized and level-to-level management can really be integrated, and domestic trade and foreign trade can be coordinated. We can imagine that after several years of effort, we will be able to establish a new socialist grain circulation system that integrates production and finance, maintains no price differences

between purchases and sales, and coordinates domestic and foreign trade, and whose macro and micro regulation and control are effective, circulation channels are smooth, and mechanisms are flexible. When the grain circulation system is straightened out, peasant returns will become reasonable and their initiative can be brought into play in a sustained manner. When the structure of grain departments is straightened out, they can make more profits, contributing more to the country. Of course, it is impossible for us to institute this new system in 3 or 5 years. Nevertheless, we must make preparations now and gradually institute it. In this respect, we should enhance consensus and have a sense of urgency lest we miss the good opportunity.

The Developmental Trend of the Grain Circulation System Reform

In what direction will grain circulation develop in the future? I believe that the proportion of market regulation will gradually increase as this is an inexorable trend. In former times, we purchased and sold grain in order to provide food for the 200-million urban population. As the commodity economy will have developed in the future, the sales scope of the rural market will probably be larger and larger. In the past, peasants stocked up on grain. But now, some peasants do not or even sell their grain ration. Now that they have money, they are willing to purchase processed grain from grain departments at higher prices. Therefore, we should consider changes in the rural market.

The fact that peasants and agricultural departments are promoting grain circulation themselves is of course good. But as the major channel, grain departments should compete with them and strengthen their position and role as the major channel in the competition. We have much potential for development in this respect.

In order to strengthen their position and role as the major channel, it is first necessary to correct vague understanding of the following things: First is the idea that the major function of state grain departments is to make plans and that all other things not related to planning are not their duty or their important duty. Making mandatory plans is of course their main duty, but if grain departments do not enter the market or become vigorously involved in extra-planning duties, it means that their role as the major channel has been automatically withdrawn from market regulation, while market regulation cannot be divided according to economic sectors. They should bravely participate in competition as long as they are dealers. If they forsake this position, the operations of state grain departments will inevitably contract. Second is the idea that state grain departments are the major channel for circulation and

that the state should protect them. For operations under the policy, the state should of course offer reasonable means, but the part of market operations should also be the same as other economic sectors. The state economy takes a leading position in the national economy. But whether or not it can become the major channel depends on its competing and blazing trails. We should see that if state grain departments stubbornly stick to the original pattern of subsidized, cheap, linked, and imported grain in their future development, they will run into difficulty. The third idea is that planning and the market should be separated. This is true to a certain extent, as far as the distinction between normal and negotiated prices is concerned. But judging from a macro point of view, planned regulation and market mechanisms should penetrate and cover each other. As far as grain is concerned, future price increases of purchased grain should be made according to the price law, taking into account supply-demand relations at the same time. The fact that the state fixes protective prices for grain for a certain period of time also reflects planned regulation. Grain that has entered market circulation should be subject to changes in the market. But it is necessary to strengthen circulation arrangements and use our reserves to regulate supply and demand on the market, and eventually influence prices. In short, in order to conduct proper planned regulation of grain prices, it is necessary to respect market mechanisms. By proper conduct of market regulation of grain demands, we can regulate the market in a planned way. This is a very difficult job and needs further serious exploration.

Here, I would also like to talk about the question of negotiated prices of grain. Grain protective prices and negotiated prices are related but not entirely the same. Purchases at protective prices are decided by the State Council. It can purchase part of the grain in a controlled manner, but not all of it. Therefore, there should be market circulation of grain. The market can give a price signal to peasants. This is good for guiding the country's grain production and circulation. Otherwise, it would be difficult to introduce grain circulation reform into market mechanisms and the reform will be incomplete or even futile. Therefore, we must not abandon the market and competition because of protective prices. As the market is developing, grain negotiating companies can regulate prices through purchases and sales on the market so that the major channel will play a stabilizing role among all other channels. From now on, our grain enterprises should operate in a penetrating way and develop in the direction of integrating industry and commerce, agriculture and commerce, agriculture, industry, and commerce, and technology, industry, and trade, thus finding a way suited to China's national conditions.

East Region

Reportage on Anhui Flood Situation, Relief Work

Hu Ping Inspects Conditions

OW0608142491 Hefei ANHUI RIBAO in Chinese
31 Jul 91 p 1

[Report by Gao Wenguang (7559 2429 0342): "Minister Hu Ping Comes To Our Province To Inspect Disaster Conditions"]

[Text] On the morning of 27 July, Lu Rongjing, secretary of the provincial party committee, together with Governor Fu Xishou and Vice Governor Zhang Runxia, met with Commerce Minister Hu Ping and his party, who came to our province to inspect disaster conditions and console staff members and workers of the commercial circles.

Before the meeting, Minister Hu Ping called at the provincial department of commerce. He also met with cadres at and above the level of provincial departments and with bureau directors who were attending a meeting held in Hefei on the work of flood control and disaster relief in various prefectures and cities. He said: It is imperative to help people in the disaster areas to resume production and rebuild their homes. We should stabilize the market, ensure supply, and support production by invigorating the circulation of commodities. At present, an extremely urgent task is to solve the problem of vegetable requirements of residents in cities and towns and masses in disaster areas. Positive measures should be adopted, and every effort made to increase supply.

Hu Ping added: The Ministry of Commerce will support Anhui's antiflood and disaster relief work in every way possible. On the morning of 27 July, Hu Ping and his party also went to Sanhe town in Feixi to see the disaster conditions. In addition, they visited Chaohu, Hanshan, Shouxian, Huoqiu, and Yingshang to acquaint themselves with the disaster situation.

Leaders Survey County

OW0608173691 Hefei ANHUI RIBAO in Chinese
30 Jul 91 p 1

[Article by Xia Zewen (1115 3419 2429), Wang Jie (3076 3381), and Zheng Yong (6774 0516): "Defeat Disaster by Practicing Self-Reliance and Socialism"]

[Text] On 28 July, Lu Rongjing, secretary of the provincial party committee; Fu Xishou, governor of the province; and Yang Yongliang, deputy secretary of the provincial party committee, surveyed Changfeng County, which was stricken by exceptionally massive flooding, and expressed their sympathy to disaster victims.

At Zhuangmu, Lu Rongjing, Fu Xishou, and Yang Yongliang listened attentively to a briefing by the Changfeng County party committee on its battle against

floods, rescue operations, resettlement of disaster victims, and efforts to organize self-relief productive activities. They expressed great satisfaction with the way the county tries to restore and build grass-roots organizations in resettlement areas, as well as the way it emphasizes the roles of such organizations and party members. They were also extremely satisfied with the county's efforts to strengthen ideological and political work. Currently, disaster victims in the county's 41 resettlement areas, inhabited by 500 or more people, have peace of mind, and they carry on their daily activities in an orderly manner.

After hearing the briefing, Lu Rongjing said: Our province faces many hardships in the wake of serious disaster. We should defeat disaster by practicing self-reliance and exploiting socialism's merits. You have taken positive steps to encourage people in the highlands to help those in low-lying areas and to urge townships to assist each other. While valuable in monetary and material terms, hundreds of kilograms of straw and a small sum of money donated by the people in highlands reflect their supreme ideals. On rebuilding the homes of people in disaster areas and helping them carry out production to provide for their own needs, Lu Rongjing said emphatically: It is essential to consider the matter thoroughly, think clearly, make unified plans, draw up long-term strategies, and prevent recurrent flooding when helping people in disaster areas rebuild their homes. These efforts should be stressed all the more when aiding reconstruction in low-lying areas susceptible to waterlogging. It is necessary to plant crops whenever water recedes as part of the efforts to encourage self-relief productive activities to minimize losses.

Lu Rongjing, Fu Xishou, and Yang Yongliang visited and extended regards to members of the provisional party branch and all disaster victims in Fanci village, a resettlement area in Luotang township. They went into the huts of disaster victims to make detailed inquiries about their living conditions and productive activities.

Chen Huanyou Urges Curtailing Flood Area Visits

OW0608172091 Nanjing XINHUA RIBAO in Chinese
29 Jul 91 p 1

["Spare Disaster Areas Trouble by Not Dispatching Nonessential Sympathy Visits"]

[Text] A comrade from a provincial department wrote to Governor Chen Huanyou on 27 July, asking him to institute measures strictly to curtail sympathy visits to disaster areas.

In his letter, the comrade recalled that during his recent visit with a comfort group from his unit to a certain county hit hard by disaster, several leading county comrades hastily returned from the forefront of hectic flood fighting and relief operations to receive and brief them on the situation. On the same day, county authorities received eight comfort groups from other provinces and municipalities. The letter said: Currently, the battle

against floods is still in full swing, and the task of providing relief is arduous. Visits by comfort groups not charged with practical tasks and problem-solving assignments will only cause comrades on the front lines more trouble.

Governor Chen Huanyou showed great concern about the situation described in the comrade's letter. He subsequently issued written instructions, in which he said emphatically: "In the future, provincial departments should not readily send nonessential sympathy and inspection trips to disaster areas, unless the trips are intended to offer assistance, through well-organized house visits, to those areas in resolving practical problems. Personnel of these departments should remain on duty and perform their own tasks effectively, so as to aid, with practical actions, in fighting floods, providing relief, and resuming production."

In keeping with the guidelines of Governor Chen Huanyou's instructions, the provincial general headquarters for fighting floods and providing relief yesterday afternoon issued a circular to various departments and commissions under the provincial party committee; various provincial committees, offices, departments, and bureaus; and various units directly under the provincial authority, advising them of regulations governing sympathy and inspection tours to disaster areas. The circular said: Except for offering assistance, through well-organized house visits, to disaster areas in solving practical problems, no nonessential sympathy and inspection trips should be made, and general inspection work should also be deferred. Provincial departments are urged to handle affairs on the spot in hard-hit areas and to help resolve urgent concrete problems. However, personnel dispatched to such areas should be capable. Accommodations for them should be kept simple so as not to increase local financial burdens.

Jiang Chunyun Inspects Huimin Prefecture

SK0708080591 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 6 Aug 91

[Text] During his inspection tour to Huimin Prefecture, Jiang Chunyun, secretary of the provincial party committee, pointed out: Relying on scientific and technological progress; readjusting the agricultural and industrial production set-up and product mix; improving the quality and raising the grade of products; producing brand-name, quality, and special products; and creating an efficient economy are the only ways to realize the second-step strategic objectives.

After attending a meeting in Beijing, Jiang Chunyun braved the intensive heat of summer and travelled to Huimin Prefecture to inspect the work there on 4-6 August. He travelled to Yangxin, Huimin and Boxing counties and Binzhou City and went deeply to the fields, plants, and workshops to hold talks with cadres, workers, and peasants and to hear briefings given by responsible comrades of the Huimin prefectural party committee. He was very pleased to hear that Huimin Prefecture had

worked vigorously and in unity for a year after being hit by disasters last year and had enabled all economic and social undertakings to restore vitality and experience new development, and fully affirmed the spirit of the people in Huimin who kept on fighting in spite of all setbacks and engaged in hard struggle.

In referring to the emphasis and the guidelines of the future economic work, Jiang Chunyun pointed out: We should correctly handle the relations among primary, secondary, and tertiary industries; uphold the principle of paying attention to industry, strengthening agriculture, and invigorating commerce; and, on the premise of not slackening efforts in agriculture, concentrate more energy on grasping the circulation of goods in the industrial and commercial sectors. In specific work, at present, we should, on the one hand, grasp the readjustment of the internal industrial and agricultural structures. In agriculture, we should mainly readjust the structures of the planting industry and animal husbandry. In industry, we should mainly optimize products; develop local industries; find the best combinations; raise the product quality and grade; produce brand-name, quality, and special products; and create the best economic efficiency. On the other hand, we should uphold the viewpoint that science and technology are the best productive forces and do a good job in technological progress. In the selection of technological transformation items, we must set a high starting point and must strive to attain the highest level in one step. In the development of science and technology, we must have a sense of urgency, rouse ourselves to catch up, and race against time. Whosoever has good command of science and technology will gain the initiative. In the final analysis, the issue of science and technology is an issue concerning trained personnel. It is necessary to run all sorts of schools at all levels well and train competent persons. At the same time, we should open all avenues, and gather personnel from various sectors.

Jiang Chunyun stressed: Large and medium-sized enterprises are the backbone of the national economy, and the main source of financial revenues. All localities should exert strenuous efforts to invigorate large and medium-sized enterprises, and provide service to them in terms of funds, materials, and policies; create a good external environment for them; and enable them to become more invigorated as soon as possible.

During his inspection tour, Jiang Chunyun also touched on his important views regarding doing a better job in urban and rural socialist ideological education and the party building issue. He said: Since last winter, we have successively carried out socialist ideological education in the urban and rural areas and have scored noticeable achievements. After concentrated educational activities, we must promptly conduct regular education, and enable the socialist ideological education to become more regular and systematic. We should use socialist ideology to occupy all fronts in the urban and rural areas with perfect assurance. Party organizations at all levels should deeply study and implement Comrade Jiang Zemin's important "1 July" speech; conscientiously grasp party building, and realistically improve the party's ideology.

organizations, work style, systems, discipline, and construction. They should also raise the fighting capacity of party organizations at all levels. It is necessary to resolutely check all sorts of unhealthy tendencies and some corrupt phenomena, maintain close flesh-and-blood ties between the party and the masses of people, attend to the crux of building leading bodies, and enable each and every leading body to become politically qualified and to have a fairly high level of attainments in Marxist theory and a strong party spirit. We must be honest and diligent in performing official duties, study conscientiously, have a good command of the economic law, and unite with and lead the broad masses of people to struggle for realizing the second-step strategic objectives of modernization construction.

Zhao Zhihao Works at Shandong Flood-Hit Areas

SK0708042591 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 5 Aug 91

[Excerpts] On 4-5 August, Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, led some responsible comrades of provincial-level departments concerned to Pingyi and Sishui counties which suffered the most serious flood disasters and waterlogging to work on the spot and to jointly study specific measures for production and relief work along with the local cadres and the masses.

Zhao Zhihao called on the disaster areas to rely closely on the party, the masses, and collective efforts; to promote the Yimeng spirit; to persist in self-reliance and arduous struggle; to do a good job in production and relief work; to guarantee that no person will suffer hunger or catch cold; and to strive to ensure that most homeless people have new houses before the end of this year.

Linyi Prefecture is one of the areas suffering the most serious flood disasters. According to a briefing given by (Wang Jiufu), commissioner of the prefectural administrative office, the unprecedentedly heavy violent storm and torrential rains in late July reduced more than 200 villages in the prefecture to flooded areas. More than 20,000 houses collapsed; 50,000-odd persons were left homeless; more than 1 million mu of farmlands were inundated; many highways were damaged by floods, and some power supply and communications lines were seriously damaged. Many enterprises were forced to stop operation and production. When the floods arrived, leading cadres of the localities assumed personal responsibility for directing the work of combating floods and dealing with emergencies at reservoirs and rivers. More than 1 million persons from the party, government, and army organs and civilians worked day and night to deal with emergencies and to send relief. None of the large and medium-sized reservoirs in the prefecture were damaged and none of the major rivers breached. The flood-stranded people were promptly saved.

After the disaster, Governor Zhao Zhihao gave guiding suggestions on many occasions and dispatched personnel to direct the flood combating and relief work.

While working on the spot, Zhao Zhihao and responsible comrades of the General Office of the provincial government, the provincial Civil Administration Department, the provincial Economic Commission, the provincial Supply and Marketing Cooperative, the provincial Industrial and Commercial Bank, the agricultural bank, and various prefectures and counties jointly studied measures for production and relief work. [passage omitted]

During his stay in the disaster-hit areas, Governor Zhao Zhihao also visited and extended regards to the Liberation Army officers and men who were participating in the flood-combating and relief work, and went deeply to villages to examine the collapsed houses; the makeshift shacks and shanties for the victims; and their food, drinking water, and living conditions.

Zhejiang Officials Appointed, Dismissed

OW0608123991 Hangzhou ZHEJIANG RIBAO
in Chinese 30 Jul 91 p 1

["Namelist of Personnel the Provincial People's Congress Standing Committee Decided to Appoint and Dismiss (Adopted at the 23d Meeting of the Standing Committee of the Seventh Provincial People's Congress on 29 July 1991)"]

[Text] It has been decided to appoint:

Zheng Jingfu [6774 4842 1381] as director of the Zhejiang Provincial Labor Department;

Yu Jianming [0205 0494 2494] as director of the Zhejiang Provincial Tourist Bureau.

It has been decided to remove:

Zheng Jingfu from the post of director of the Zhejiang Provincial Labor and Personnel Department.

Vice Governor Removed

OW0608123891 Hangzhou ZHEJIANG RIBAO
in Chinese 30 Jul 91 p 1

["Namelist of Personnel the Provincial People's Congress Standing Committee Decided To Dismiss (Adopted at the 23d Meeting of the Standing Committee of the Seventh Provincial People's Congress on 29 July 1991)"]

[Text] It has been decided to remove:

Wang Zhonglu from the post of vice governor of Zhejiang Province.

Court Official Removed

OW0608124091 Hangzhou ZHEJIANG RIBAO
in Chinese 30 Jul 91 p 1

["Namelist of Personnel the Provincial People's Congress Standing Committee Decided To Dismiss

(Adopted at the 23d Meeting of the Standing Committee of the Seventh Provincial People's Congress on 29 July 1991)"

[Text] Sun Cang [1327 3318] has been removed from the posts of vice president of the Zhejiang Provincial Higher People's Court and member of the Adjudication Committee.

North Region

Li Ximing at Magazine Publication Forum

SK0708042191 Beijing BEIJING RIBAO in Chinese
6 Jul 91 p 1

[Text] Yesterday, the XUEXI YU YANJIU (STUDY AND RESEARCH) magazine, a theoretical publication for organs of the Beijing Municipal party committee, held a forum to mark the 10th anniversary of its first publication. Amid an enthusiastic atmosphere, Wang Shoudao, Li Desheng, Zeng Zhi, Zheng Tianxiang, Xu Weicheng, and Zhou Guanwu and other comrades made speeches. They fully affirmed the achievements made by this magazine since its first publication 10 years ago, and pinned ardent hopes on the personnel of this magazine to run it still better.

Li Ximing, secretary of the municipal party committee, and Chen Xitong, municipal mayor, attended the forum. Comrade Li Ximing gave an important speech at the end of the forum. He fully affirmed the hard-won success of this magazine in upholding a correct stand and orientation in the course of publicizing and implementing the party's basic line, and in the struggle to set the four cardinal principles against bourgeois liberalization during the past 10 years. This magazine has inherited not only the fine tradition of "QIANXIAN" (FRONT-LINE), the former magazine of the organs of the municipal party committee, but also has developed under the new situation. On behalf of the municipal party committee, he expressed heartfelt thanks for and extended greetings to all personnel of the magazine.

Comrade Li Ximing also pointed out: "At the recent ceremonial rally to mark the 70th anniversary of the founding of the CPC, Comrade Jiang Zemin gave a long and important speech to comprehensively and scientifically sum up our party's history, and to comprehensively and profoundly expound on the socialist economy, politics, and culture with Chinese characteristics. Comrade Jiang Zemin's speech is a solemn declaration. He made an announcement to the world that China will continue to hold aloft the great banner of Marxism-Leninism-Mao Zedong Thought, and will continue its own way unswervingly. Comrade Jiang Zemin's speech is a guiding principle leading our party to advance continuously, and is a strong ideological weapon for overcoming all difficulties and pressures. Party members across the municipality and cadres at all levels should study this speech conscientiously and repeatedly, understand its guidelines, have a good command of its essence, and push their work forward in

line with reality. Party members and cadres on the theoretical and propaganda front should further deepen their study, use the guidelines of this speech to guide us to carry out the work in the ideological sphere successfully and to grasp the building of socialist civilization and the study, publicity, and research of the Marxist theory. In studying Comrade Jiang Zemin's speech, we must combine it with the study of the second edition of Volumes One-Four of the "Selected works of Mao Zedong." He hoped that comrades of this magazine would run this publication still better.

Also attending the forum were Bai Jiefu, Wang Jialiu, Li Zhijian, Ouyang Wenan, Liu Daosheng, Zhang Dazhong and Wang Lixing, and other comrades.

Responsible comrades of central departments concerned, as well as noted scholars and experts—including Lin Mohan, Gui Shiyong, Gao Shanquan, Fan Kang, Luo Guojie, Dai Yuanchen, Xu Wen, and Sun Yongren—also attended the forum. Some veteran comrades of the former "QIANXIAN" magazine, secretaries of various district and county party committees, and responsible comrades of concerned departments attended the forum to extend congratulations.

Chen Xitong Attends Beijing Retired Cadres' Forum

SK0708042391 Beijing BEIJING RIBAO in Chinese
7 Jul 91 p 1

[By reporter Sun Yushan (1327 3768 1472): "Display the Political Advantages of Veteran Cadres and Contribute to Opposing Peaceful Evolution"]

[Text] At the fifth municipal forum of retired cadres which ended yesterday, Mayor Chen Xitong stressed that retired veteran cadres should show concern for the major affairs of the state and the world, fully display the political advantages of veteran cadres and contribute to the severe struggle of opposing "peaceful evolution."

Chen Xitong said: During the new historical period, our party is facing the severe test of "peaceful evolution" in the course of the socialist modernization construction. The domestic and foreign hostile forces have incessantly thought of turning our party into a non-Marxist org, and of changing the color of China. The struggle to oppose "peaceful evolution" is a major affair of prime importance at present. Veteran comrades have experiences in the protracted revolutionary struggle. They are the strong defenders of the party and the republic. Veteran comrades are urged to think more about this major affair, come forward with more ideas and methods, and promptly offer their views and suggestions. Veteran comrades are also urged to supervise the incumbent and new leading cadres because this is their unshirkable duty. Chen Xitong hoped that veteran comrades would make use of their favorable condition of freeing themselves from practical work, study more and review some books on Marxism, and combine the study of the second edition of the Volumes One-Four of the "Selected works of Mao Zedong" with the study of Comrade Deng

Xiaoping's works and the "1 July" speech by Comrade Jiang Zemin. To defend and develop Marxism, we must conscientiously study it and strengthen our communist conviction. Chen Xitong called on the whole municipality to further strengthen the building of party branches of retired veteran cadres, and expressed hope that veteran comrades would pay attention to striking a proper balance between work and rest, build up their physical strength, and have good health and a long life.

In his speech, Li Qian, deputy secretary of the municipal party committee, called on party committees and governments at all levels to strengthen leadership over the work with veteran cadres, improve the organs in charge of the work with veteran cadres, and install essential personnel in these organs, so that each and every piece of specific work will be grasped and managed. The incumbent leading cadres should devote time to visiting some veteran comrades.

Chen Guangwen, member of the Standing Committee of the municipal party committee and director of the Organization Department, also addressed the forum. He emphasized that strenuous efforts should be made to build the party branches of retired cadres, attach prime importance to the ideological construction of party organizations, and do a good job in conducting various forms of education. This municipal forum of retired cadres was held on 3 July.

Beijing Railway Police Nab Drug Trafficking Gang

OW0708000891 Beijing XINHUA in English
1446 GMT 6 Aug 91

[Text] Beijing, August 6 (XINHUA)—A gang of criminals involved in robbery and drug trafficking has been rounded up by the Beijing Railway Police.

A total of 52 people were arrested and 41.5 grams of opium seized. The Beijing Railway Police say the gang was involved in some 60 cases connected with the railways.

The members of the gang are mainly from the city of Baotou in the Inner Mongolia Autonomous Region. The eldest one is 38 years old and the youngest is only 20. Almost all the money they stole was used to buy drugs.

The 20-year-old Yang Chengjun committed 27 crimes in 22 days in July, netting 8,200 yuan, all of which he spent on drugs, according to the railway police.

Xing Chongzhi Inspects Hebei's Funing County

SK0708130691 Shijiazhuang HEBEI RIBAO
in Chinese 30 Jun 91 p 1

[Text] When inspecting six enterprises—including a light and chemical industrial machinery plant, a shoe factory, and the Jingdao vehicle refitting plant—in Funing County 23-24 June Xing Chongzhi, secretary of the provincial party committee, pointed out: In order to seek wealth and to achieve the target of becoming comparatively well off, rural

areas must develop town and township enterprises. To develop town and township enterprises, we must provide them with good leading bodies and pay attention to scientific and technological progress.

Xing Chongzhi said: Our target in the 1990's is to become comparatively well off. If we do not develop industries or town and township enterprises, it will be impossible for us to become fairly well off. Therefore, cadres at various levels should have a sense of urgency, be inspired with enthusiasm, and make good plans. While strengthening the role of agriculture as the foundation of the national economy, we also should make great efforts to develop industries. First, we should do a good job in developing existing enterprises and strive to develop some new projects. In particular, villages without collective income should develop town and township enterprises in order to expand the strength of the collective economy.

Xing Chongzhi said: We should select the right plant directors and managers in order to run enterprises successfully. Skilled people can be selected from a county. For example, capable plant deputies and workshop heads of enterprises with achievements are allowed to run enterprises independently. Meanwhile, skilled people can be invited from outside. We also can improve the training for existing plant directors and managers. These methods can be used for reference.

He said: Although town and township enterprises are different from state-owned enterprises in terms of their ownership, we must not make lower demands on town and township enterprises. For instance, developing new high technology and upgrading product quality is a requirement not only for state-owned enterprises, but for town and township enterprises, as well. Those without good products will lose their competitiveness.

In accordance with actual conditions, each and every county should define its leading industries. Each and every industry should have one or several enterprises with outstanding achievements to play a leading role, and have them support and guide the development of other enterprises. Based on the achievements in providing enterprises with good leading bodies, we should have plant directors and managers study or be trained at advanced enterprises. Meanwhile, advanced enterprises should concentrate their energy on collecting foreign and domestic information, studying and developing new products, and guiding other enterprises, as well as introducing new products and projects to other enterprises. There are many methods. We should pool the scientific research forces of a trade or several enterprises, and concentrate efforts on manufacturing new products.

With regard to the issue that town and township enterprises lack skilled people, Xing Chongzhi said: Some localities have difficulties in distributing college graduates. We must grasp the opportune moment to send some college graduates to town and township enterprises and

county-run enterprises, and have them temper themselves at these enterprises for several years. In this way, skilled people will be trained.

Hebei's Cheng Weigao Discusses Enterprise Work

SK0708063691 Shijiazhuang Hebei People's Radio Network in Mandarin 2200 GMT 17 Jun 91

[Text] On 15 June, provincial Governor Cheng Weigao delivered a speech at the provincial work conference of large and medium-sized enterprises. He stressed that efforts should be made to integrate in an organic way the work of deepening enterprises' internal reform and enhancing the management with ideological and political work.

Cheng Weigao stated in his speech that the fundamental solution for enlivening large and medium-sized enterprises lies in deepening the reform drive, changing the operation mechanism, and bringing into full play the enthusiasm and creativity of the broad masses of staff members and workers.

Cheng Weigao stated in his speech that a good job should be done at present in emphatically grasping the following four tasks: 1) Leadership in enterprises should correctly understand the relationship between the programs to improve the economic environment and rectify the economy, and they should understand the task of deepening the reform drive; 2) By bearing in mind the second-round responsibility system and by improving the business responsibility system, we should establish or improve the internal economic responsibility systems of various forms of enterprises; 3) A good job should be done in conducting reform in the systems of employing personnel and workers, and in actively probing effective ways and means to enforce the employment system of cadres and to optimize or organize labor forces; and 4) It is necessary to actively conduct reform in the distribution system.

Referring to enterprise management, Governor Cheng Weigao stated in his speech that only by running plants and conducting management strictly, and by paying great attention to upgrading the level of the organizational forms of production and labor forces can enterprises upgrade their capability to meet market needs.

Cheng Weigao stressed in his speech that to bring the strong points of socialist enterprises into full play, it is necessary to realistically enhance ideological and political work. Only by bringing the enthusiasm in socialism of the broad masses of staff members and workers into full play can we deepen our reform in various fields and do a good job in conducting production and business operations. Only by successfully conducting internal reform in various fields and by enhancing management can we enable the enthusiasm of the broad masses of staff members and workers to become sustained.

Governor Cheng Weigao pointed out in his speech that by regarding the work to switch losses to profits and to increase economic results as a target, strenuous and true

efforts should be made to help large and medium-sized enterprises enhance their vitality.

Governor Cheng stated in his speech that in the final analysis, economic results can determine whether large and medium-sized enterprises are vigorous. In currently launching the yearly campaign to improve quality and economic results and increase the variety of products, we should emphatically and successfully encourage key enterprises that have accumulated large profits and taxes to join in the campaign, on the one hand, and emphatically and successfully encourage money-losing enterprises, on the other. We should make a success of encouraging these money-losing and -earning enterprises in the campaign so as to bring along those that are about up to the average level of profits and losses. Efforts should be made to enable key enterprises that have earned large amounts of profits to further increase their profits, to enable those at which economic results have declined to increase them again rapidly, and to enable money-losing enterprises to reduce their losses on a large scale or switch their losses to profits.

Cheng Weigao stated in his speech that to this end, a good job should be done in emphatically grasping the following eight tasks: 1) It is imperative to have a correct understanding so as to enliven large and medium-sized enterprises; 2) Efforts should be made to earnestly carry out investigation and study so as to learn about the production and business situation of large and medium-sized enterprises; 3) While paying attention to dealing with the problems of common mistakes, we should particularly stress the work of handling the problem of specific mistakes well; 4) Efforts should be made to base the starting point for enlivening large and medium-sized enterprise on leaving more room for enterprises to achieve development; 5) A good job should be done in grasping the building of enterprise leading bodies; 6) Efforts should be made to make overall arrangements for or to give consideration to both immediate and long-term targets; 7) Efforts should be made to closely integrate the enthusiasm of industries and trades with that of local governments; and 8) Efforts should be made earnestly to summarize experiences and lessons so as to steadily upgrade the level of work done by governments at all levels in organizing industrial production and directing the economic affairs and to enable all undertakings of economic construction to create a new situation.

Wang Qun Visits Nadam Fair Commodity Exchange

SK0708071491 Hohhot Inner Mongolia People's Radio Network in Mandarin 1000 GMT 6 Aug 91

[Excerpts] [Passage indistinct] A ceremony to mark the opening of the commodity exchange center at the Nadam fair was held on 6 August. Liu Zuohui, chairman of the committee for organizing the commodity exchange center, made a speech at the opening ceremony.

[Begin Liu Zuohui recording] Fellow guests, representatives from all fronts, comrades, and friends:

The commodity exchange center of the Nadam fair ceremoniously opened on schedule today. This marks the unveiling of the prelude to the regional Nadam fair. First of all, on behalf of the committee for organizing the commodity exchange center, I express my warm welcome and sincere thanks to the guests, representatives from all fronts, and all comrades. [end recording]

Liu Zuohui said in his speech: This is the largest-scale trade fair since the founding of the autonomous region. The purpose in convening this trade fair is to disseminate information about Inner Mongolia and to expand the region's influential power inside and outside the country. Thus, we should implement the principle of cultural and sports (?development) and economic prosperity as formulated by the regional party committee and the regional government, and strive to promote the region's economic construction by bringing in funds, technology, and skilled people, and by conducting cooperation with outside world.

Liu Zuohui urged that the activities launched in the commodity exchange center will become more vivid and dramatic, and that we warmly welcome the guests from all sides with a brand-new attitude and quality service so as to add splendor to the Nadam fair.

Wang Qun, secretary of the regional party committee; Bu He, chairman of the regional government; Liu Zuohui, chairman of the committee for organizing the commodity exchange center; and Jia Cai, Hohhot mayor and secretary of the city party committee; cut the ribbon at the opening ceremony.

Also present at the opening ceremony were some regional leaders, including Zhang Dinghua, Hao Xiushan, Batubagen, and Shi Shengrong. Also among those invited to attend the ceremony were responsible comrades of the state departments and committees concerned and front fraternal provinces and regions who were in Hohhot to watch the games of the Fourth National Minority Nationality Sports Meet, including (Wen Jing), (Xu Rensheng), (Liu Di), (Gao Yushan), (Chen Tian), (Li Zhenxian), and (Zhang Jingren). [passage omitted]

Inner Mongolia Congress Reshuffles Personnel

SK0708091891 Hohhot NEIMENGGU RIBAO
in Chinese 30 Jun 91 p 1

[Text] On 29 June 1991, the 21st Standing Committee meeting of the seventh regional People's Congress approved decisions on personnel appointments and removals.

The personnel removal decision is as follows:

Zhulanqiqige is removed from the post of director of the regional radio and television department.

The decision on personnel appointments is as follows:

Suertalatu [5685 1422 1044 2139 0956] is appointed director of the regional radio and television department.

Han Xuedong [7281 1331 2639] was appointed chief procurator of the people's procuratorate in the city of Chifeng.

Tan Shaowen at Tianjin Museum Restoration

SK0708093491 Tianjin TIANJIN RIBAO in Chinese
2 Jul 91 p 1

[Excerpts] A ceremony to unveil the restoration and reconstruction of the Tianjin museum to commemorate the building of the party was solemnly held at the site of the former Tianjin CPC local executive committee—No. 21 Puaili of Heping District's Changchun Road—on the morning of 1 July.

Nie Bichu, deputy secretary of the municipal party committee, unveiled the restoration and reconstruction of the museum.

More than 800 people attended the ceremony, including Tan Shaowen, secretary of the municipal party committee; Yang Huijie, vice chairman of the municipal Advisory Commission; Yang Zhihua, Standing Committee member of the municipal party committee and commander of the Tianjin Garrison District; some party and government leaders; some veteran comrades; and people of various circles in Heping District.

Yang Jingheng, Standing Committee member of the municipal party committee and secretary of the municipal Discipline Inspection Commission, made a speech at the ceremony. [passage omitted]

After the ceremony, municipal leading comrades and people of various circles in Heping District visited the museum.

At Jiang Speech Study Meeting

SK0708125291 Tianjin TIANJIN RIBAO in Chinese
3 Jul 91 p 1

[Excerpts] On 2 July the Tianjin Municipal CPC Committee held an enlarged Standing Committee meeting to conscientiously study Comrade Jiang Zemin's important speech at the rally to mark the CPC's 70th founding anniversary. The comrades participating in the meeting unanimously maintained that the speech is a Marxist programmatic document and is of extremely great significance to our country's socialist modernization and party building. The meeting urged that we take the guidelines of Comrade Jiang Zemin's speech as guidance, and further mobilize all Communist Party members and the people of the municipality to realize the second-step strategic goal of socialist modernization and to better develop Tianjin.

Tan Shaowen, secretary of the municipal party committee; Nie Bichu, deputy secretary of the municipal party committee; and Yang Huijie, vice chairman of the municipal Advisory Commission, respectively, made speeches at the meeting.

Tan Shaowen said: Comrade Jiang Zemin's important speech is permeated, from beginning to end, with the

viewpoints of dialectical and historical materialism. In line with the principle of seeking truth from facts, it reviews the party's fighting career over the past 70 years; scientifically sums up the party's historical experience; expounds the solemn mission of Communist Party members in the present age; clarifies the basic principles and policies on building the socialist economy, politics, and culture with Chinese characteristics; and further shows the direction of advance for the party and the people of the whole nation. In line with the theory and practice of party building over the past 70 years, the speech also sets out the major party building tasks in the new historical period. Thus, conscientiously studying the speech is of extremely great significance to seeking unity of thought, upgrading understanding, summing up experiences, and defining our direction.

In his speech, Nie Bichu said: Comrade Jiang Zemin's speech is very heartening. The speech sums up China's revolutionary experience, and states that only under the leadership of the CPC will China go from victory to victory in the course of revolution and construction. At the same time, the speech states that the combination of the basic Marxist-Leninist principles with the specific practice of the Chinese revolution is our party's most important experience. The speech sums up that the combination of persisting in the leadership of the CPC, Marxism, and China's reality is the precious wealth of our party and will produce an important impact on the worldwide socialist campaign. Thus we should study and implement the guidelines of the speech in a conscientious manner. China has great prospects if we fight bravely according to the guiding orientation as set out in the speech. [passage omitted]

At the close of the meeting, Tan Shaowen stressed: We should persist in the study style of linking theory with practice, study Comrade Jiang Zemin's speech closely in line with our ideological and working reality, deeply understand the essence of the guidelines of the speech, and unite our thought and action with those guidelines. We should link study of the speech with study of the second edition of the Volumes I-IV of the *Selected Works of Mao Zedong*, Comrade Deng Xiaoping's theoretical ideology of building socialism with Chinese characteristics, and party history; ceaselessly strengthen the party's ideological and theoretical construction; and make efforts to upgrade the understanding of Marxist theory of all party members.

Present at the meeting were Standing Committee members of the municipal party committee; vice chairmen of the municipal Advisory Commission; deputy secretaries of the leading party groups of the municipal People's Congress Standing Committee, the municipal government, and the municipal committee of the Chinese People's Political Consultative Conference; the secretary general of the municipal party committee; members of the leading group for disseminating ideological work under the municipal party committee; and principal responsible comrades of relevant departments, committees, and offices.

Northwest Region

ACFTU President Ni Zhifu Inspects Qinghai

HK0708103991 Xining Qinghai People's Radio
Network in Mandarin 2200 GMT 4 Aug 91

[Text] Ni Zhifu, vice chairman of the National People's Congress [NPC] Standing Committee and president of the All-China Federation of Trade Unions [ACFTU], made a six-day inspection tour in our province 30 July-4 August. During the tour, he stressed that we should firmly and unswervingly implement to the letter the guiding principle of wholeheartedly relying on the working class.

While visiting our province, accompanied by our provincial party and government leaders Yin Kesheng, Tian Chenping, (Tang Zhengren), Cai Zhulin, Huanjue Cenam, and Wu Chengzhi; and responsible comrades of relevant departments, Vice Chairman Ni Zhifu and Zhang Guoxiang, member of the All-China Federation of Trade Unions Secretariat, inspected Qinghai's number one machine tool plant, the Qinghai heavy-duty machine tool plant, the Xining steel works, the Xining power supply bureau, and the Qinghai number three woolen mill, and went sight-seeing in the city. They also visited (Shijingxia) country markets, and (Shayihai) Village in (Daochanghe) Township of Gonghe County to pay a special visit to national model workers (La Fudan) and his family.

During his inspection, Vice Chairman Ni Zhifu listened to work reports by the provincial CPC Committee, government, People's Congress, and trade union leaders, as well as by the leaders of the Hainan Zang Autonomous Prefecture. He fully affirmed the effective work done by cadres of various nationalities in Qinghai. He said: Since reform and opening up, Qinghai's economic development has been good, and very marked changes have taken place in the province. In the future, Qinghai Province should continue to proceed from its actual conditions to develop the local economy steadily and to struggle hard for the fulfillment of the second-step strategic objective.

Ni Zhifu pointed out: The key to running enterprises well lies in fully arousing the enthusiasm, wisdom, and creativity of the masses. If workers treat enterprises as their own, all difficulties can be conquered. He emphasized: Wholeheartedly relying on the working class is determined by the nature of our party and country. Conscientiously implementing this guiding principle is a matter of primary importance which concerns the party's class nature, our country's political system, and whether or not we can persist in and perfect our socialist system, succeed in our struggle against peaceful evolution, and in the fulfillment of our modernization program. CPC committees and governments at all levels, and party and government leading comrades in cities, institutions, and enterprises in particular, should have a sufficient understanding of this. They should solidly establish the guiding thought of wholeheartedly relying

on the working class. They should unite closely with the broad masses of workers and staff members to run socialist enterprises well.

While discussing the issue of sufficient economic development in our province, Comrade Ni Zhifu pointed out: Qinghai should do everything possible to develop animal husbandry and breeding undertakings. Qinghai is rich in natural resources, and people of various nationalities in the province live in unity and harmony. This is a reliable basis for economic development. With such a guarantee, we should set out for long-term economic development and face the whole country. Qinghai should devote its main efforts to the extensive processing of raw and processed materials. It should enhance its economic efficiency and avoid waste in resources. It should use its resources to promote an extensive processing industry. This is a direction for remote and border regions to develop their industry.

Vice Chairman Ni Zhifu showed special concern for our province's machine tool industry, and forwarded many proposals on invigorating the engineering industry. He also made some suggestions on strengthening socialist democracy and the legal system, expanding the active functional role of the provincial trade union in participating in and promoting various reforms beneficial to the development of social productive forces, and further deepening the work of People's Congresses and trade unions in the future.

Song Hanliang on Xinjiang's Sci-Tech Work

OW0608055591 Urumqi XINJIANG RIBAO in Chinese
17 Jul 91 pp 1-2

[“Speech by Song Hanliang at the Fourth Congress of the Xinjiang Association for Science and Technology on 16 July 1991”—XINJIANG RIBAO Headline]

[Text] Fellow delegates, comrades, and friends.

We are here at this grand meeting today to mark the opening of the Fourth Congress of the Xinjiang Uygur Autonomous Regional Association for Science and Technology. Attended by the region's prominent scientists and technicians, the congress is being held at an important moment when the people of various nationalities in the region are implementing the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, the Fourth Session of the Seventh National People's Congress, the fourth congress of the regional CPC Committee, and the fourth session of the seventh regional People's Congress; are thoroughly studying and implementing the guidelines of Comrade Jiang Zemin's speech at the rally marking the 70th CPC founding anniversary; are implementing the 10-Year Program and the Eighth Five-Year Plan in a comprehensive way; and are forging ahead towards the second-step strategic objective of socialist modernization. On behalf of the regional party committee and the regional People's Government, I would like to extend our warm congratulations to the congress, our sincere solicitude and high

respects to the delegates and the scientists and technicians of all nationalities who work hard on all fronts in Xinjiang, and a warm welcome and heartfelt thanks to responsible comrades of the China Association of Science and Technology and of the associations of science and technology of fraternal provinces and regions who are here attending the congress!

In today's world, science and technology are promoting the development of human society on an unprecedented scale and a rapid pace, and are becoming the most active factor and principal driving force in modern production. The reliance on scientific and technological advancement in vitalizing the national economy has become a distinctive feature of our age. Whether Xinjiang will be able to vigorously develop its economy, enhance its strength, and successfully attain the second-step strategic objective in the 1990's—a decade of rapid advancement in science and technology—depends to a great extent on whether it can hold to the belief that science and technology constitute a primary productive force, and can promptly and successfully shift the focus of its economic development to technology-based industries. At a recent regional meeting on invigorating Xinjiang through science and technology, we discussed and adopted the “Program for Invigorating Xinjiang Through Science and Technology” and the “Decision on Invigorating Xinjiang's Economy Through Scientific and Technological Advancement,” listened to fraternal provinces' experience in vitalizing their economy through scientific and technological advancement, enhanced our understanding of the importance and urgency of invigorating Xinjiang's scientific and technological advancement, and made clear our objectives and tasks in this regard. It is necessary for this congress to fully implement the guidelines of the Fourth Congress of the China Association for Science and Technology and the important speech by Comrade Jiang Zemin, as well as to set out the tasks ahead and the corresponding measures. These actions have an important bearing on the implementation of Xinjiang's 10-Year Program and Eighth Five-Year Plan. Now, I would like to talk about my opinions on scientific and technological work in the region.

1. We Should Deeply Understand the Viewpoint That Science and Technology Constitute the Primary Productive Force and Enhance Our Sense of Urgency In Marching Toward Science and Technology

It is a basic Marxist viewpoint that science and technology constitute a productive force. According to Marxism, the productive force is the ultimate decisive force for the development of the history of human society, and “the productive force, of course, includes science.” Engels had a famous saying in his speech delivered in front of the tomb of Marx: “In the eyes of Marx, science is an historically motivating and revolutionary force.” He also said that “the labor productive force develops constantly with the progress of science and technology.” In the 20th century, especially since World War II, many more chances for science and technology have appeared to be converted into direct

productive forces, and the magnitude of conversion has been growing. As a result, science and technology have become an indispensable force on which production is dependent. In the system of productive forces, science and technology have been transformed from a direct to a leading element. Development of the modern economy shows that the higher the degree of social and economic development, the greater the role played by science and technology. This is especially obvious in developed countries. At the beginning of this century, only 5-20 percent of their gross national product [GNP] was attributable to advances in science and technology, and the main factors contributing to economic development were still capital, labor, and resources. In the 1950's and 1960's, the percentage rose to about 50 percent. In the 1970's, the percentage of the GNP attributable to advances in science and technology was as high as 60-80 percent. Since the beginning of 1980's, science and technology have infiltrated into every aspect of the social life of mankind with a very profound influence on the mode of production; way of life; ideology; and the political, economic, military, cultural, and educational activities of human society. It is due to the great influence of the advance in science and technology on mankind's social progress and development that all countries in the world are competing acutely and expansively in science and technology for the sake of their own development. In this new great global war of science and technology, every country will be subject to its impact and influence. Whoever lags behind in science and technology may be economically controlled by others, placed in a passive position subject to military force, and become vassals of power politics in the political arena.

Confronted by this new situation, Comrade Deng Xiaoping has emphasized constantly that science and technology are the keys to modernization. He clearly pointed out: "Science and technology constitute a productive force, a primary productive force." This scientific thesis has enriched and developed the Marxist theory of productive forces and has revealed the primary innovative role of the progress of science and technology in the social and economic development of our times. It is of very great far-reaching significance in guiding our country's socialist modernization. Comrade Jiang Zemin pointed out in his speech at the Fourth Congress of the China Association for Science and Technology: "It is an extensive and in-depth change to insist that science and technology constitute the primary productive force and to truly switch economic construction to the track of relying on advances in science and technology and of raising the quality of laborers. This not only will boost our productive forces to a great extent, but also inevitably will bring intensive changes to our relations of production and the superstructure." "By switching economic construction to the track of relying on advances in science and technology and raising the quality of laborers, we surely will be able to ensure the successful fulfillment of the second-step strategic objective, and at the same time lay a firm foundation for attaining the third-step strategic objective." This importance speech

by Comrade Jiang Zemin has expounded in depth the strategic significance and vital role of relying on advances in science and technology and of raising the quality of laborers in economic construction and development. In the 41 years since Xinjiang's liberation, socialist construction and various undertakings have developed greatly and have undergone earthshaking changes under the party's leadership, thanks to the arduous struggle of the peoples of various nationalities. However, due to our region's relatively weak economic foundation; comparative backwardness in education, science, and culture; lower level of development of the productive forces; and poor economic efficiency we still lag far behind the rest of the country, particularly the advanced provinces, municipalities, and autonomous regions. The task of realizing the 10-Year Program, the "Eighth Five-Year Plan," and the second-step strategic objective is very difficult and arduous. In order to realize our strategic objective, apart from doing a good job in all aspects, we must firmly establish the thought that science and technology constitute the primary productive force, thoroughly understand relevant Marxist viewpoints, and further enhance our sense of urgency in this respect. We must earnestly stress the need to depend on scientific and technological advancement and to upgrade labor quality in our economic development strategy. We also must fully bring into play the function of science and technology as the primary productive force in the revitalization of Xinjiang's economy.

2. We Should Promote Scientific and Technological Advancement, and Accelerate Our Region's Economic Construction

In accordance with the tasks of achieving the second-step strategic objective, and on the basis of earnestly summarizing our region's experiences in socialist modernization, the regional party committee and people's government objectively analyzed the current economic situation, repeatedly studied Xinjiang's various opportunities and challenges, and laid down the principle of "revitalizing Xinjiang through science and technology." In the future, the autonomous region's party committees, governments, and leaders at all levels must resolutely implement this principle, and work hard to promote scientific and technological advancement, and to revitalize our region's economy in various sectors according to this principle.

Agriculture and animal husbandry are our region's advantages. We must energetically popularize the use of applicable technology in agriculture, village and town enterprises, and small enterprises. Currently, the primary tasks are to switch rural economic development to the track of relying on scientific and technological advancement to raise economic efficiency, to vigorously develop the socialist commodity economy in rural areas with science and technology as the mainstay, and to gradually alter the production and operational methods in the natural and seminatural economies [zi ran 5261 3544 and ban zi ran 0584 5261 3544]. We must continue to improve the conditions for agricultural production; gradually popularize a series of modern biological,

chemical, and mechanical technologies suitable for agricultural uses; reorient the agricultural production system toward advanced technology; raise our overall agricultural productive capability; and develop agriculture in depth and breadth. Small enterprises, as well as village and town enterprises must actively use new equipment and technology to improve production skills and product quality.

Large and medium-sized enterprises should step up efforts to import and develop advanced technologies. While focusing on quality, variety, and efficiency, they should give priority to saving energy; reducing material consumption; lowering costs; improving product quality; and increasing their capacity to manufacture new, special, brand-name, high-quality products and exports. To speed up scientific and technological progress in enterprises, it is necessary to concentrate on the technical transformation of large and medium-sized enterprises, to upgrade the technology of manufacturing important products, and to promote and support the development of modern industries with science and technology.

It is necessary to step up research that will serve the exploitation of our advantages in natural resources, will strive to create an advantage in science and technology in order to support the exploitation of natural resources, and will effectively organize important scientific research related to economic construction. The main purpose of undertaking a number of key projects in science and technology is aimed at verifying and exploiting resources, utilizing resources rationally, and making further use of our advantages in natural resources. Efforts should be made to apply and popularize scientific and technological research results. During the Eighth Five-Year Plan, priority should be given to popularizing technologies for increasing agricultural production; technologies for the storage and processing of agricultural produce; technologies for the utilization of water resources, water conservation, and irrigation; technologies for the development of new products by the consumer goods industry and for the manufacture of new materials by the manufacturing industry; technologies for the manufacture of specialized equipment; technologies in support of large-scale production in the energy, transportation, raw materials, and semifinished products industries; and technologies related to conservation of water and raw materials. Traditional industries should extensively apply computer and biological technology.

The development of new high technology in our region has just begun, so we should lose no time in vigorously promoting the application and industrialization of new high-technology achievements. In particular, we should apply electronic information, automation, biological, and other new technologies in modern industry; employ both high and conventional technology; and allow modern industry to fully play its exemplary and leading role in spreading new and high technology.

The heightening of workers' skills is an important factor affecting economic development and social progress,

and is also a basic condition for allowing science and technology to fully play their role and to accelerate economic construction in our region. Over the past 40 years or so, our region has made marked progress in science, technology, culture, and education, and the scientific and cultural level of the people of all nationalities has risen to a new level, but all this still cannot keep up with the needs of socialist modernization. The cultural structure of the total population in our region still belongs to the lower-level category. The technical level of the labor force of enterprises in the region is still relatively low. There is a shortage of skilled workers, and the shortage of high-grade specialized personnel and economic management cadres is even more acute. As a result, a greater part of imported advanced production equipment has not been used effectively, and some equipment has been lying idle for a long time. This situation was created by the low technical level of our workers and by the fact that the overall technical and management levels failed to keep up with current needs. Judging from economic efficiency, and because the workers' technical level is low, it is very difficult to spread the application of advanced technical achievements; this has affected the quality of products and services, as well as economic efficiency, and also has seriously restricted the progress of socialist modernization in our region. In rural areas, about 70 percent of agricultural technological achievements could not be popularized and applied. One of the important reasons for the poor quality of products manufactured by some village and town enterprises, and for these enterprises' low economic efficiency, is the low cultural and technological level of peasants, staff members, and workers, who were unable to accept and master new knowledge and technologies. In our society, bad phenomena unfavorable to the building of a socialist spiritual civilization are related, directly or indirectly, to the low quality of the population. Therefore, we should have strategic insight; should attach strategic importance to developing science, technology, culture, and education; should make constant efforts to raise the quality of workers of all nationalities; should bring up a large contingent of workers who cherish lofty ideals and have moral integrity, and who are better educated and observe discipline; and should accelerate economic construction in our region by promoting scientific and technological progress as well as upgrading the quality of workers.

3. We Should Deepen Reform of the System of Science and Technology, and Establish a New System and Operating Mechanism That Closely Combine Science and Technology With the Economy

Our region has attained some achievements in reforming the scientific and technological system, but on the whole, these achievements are still inadequate. In the future, the reform of the scientific and technological system must be further deepened to meet the objective needs of socialist modernization. Currently, the central link in deepening reform of the scientific and technological system is to continue to solve the problem of separating science and technology from the economy, and to establish a new

dynamic mechanism that is beneficial to scientific and technological advancement and to economic development. We must continue to implement the principle of "relying on science and technology in economic construction, and gearing science and technology toward economic construction." In accordance with the demand of developing a socialist planned commodity economy, we should explore ways and means to combine planning with market regulation in scientific and technological work, to promote further the combination of science and technology with the economy, to accelerate the transformation of scientific and technological achievements into practical productive forces, and gradually to establish a mechanism in scientific research that stresses importation, application, promotion, and innovation equally, as well as coordination among these initiatives. In line with our region's economic development, input in science and technology should be increased continuously, not only by the state, but also by enterprises and society, to form a multichannel and multilevel system of scientific and technological input, as well as to promote a sound input-output circle in science and technology.

We should strengthen and perfect the system of scientific and technological advancement in enterprises. We should enhance the motivation and capability of enterprises to absorb advanced technology, so as to turn them into principal contributors not only in technological development, but also gradually to input in technological development. Scientific research organizations should engage in economic work thoroughly by vigorously developing various types of integrated scientific research and production organizations. They should open up channels and strengthen the link for transferring scientific and technological achievements to production. They should continue to foster and develop a unified market system, and to accelerate the development of technological and information markets and the process of commercializing technological achievements. This is to ensure that, under the guidance of state policies and plans, the transformation of technological achievements into productive forces will be regulated by the market mechanism of supply and demand according to the law of value.

We should establish a mechanism that closely combines science and technology with the economy. We must speed up the process of reforming the economic and scientific-technological systems, and ensure that the two systems coordinate with and promote each other. While laying down new scientific-technological and economic systems, we gradually should establish a system of macroeconomic regulation and control. We also should exercise unified comprehensive management of science and technology and the economy, and should enact industrial and technological policies, as well as laws and regulations governing scientific and technological advancement. We should combine the use of economic, administrative, legal, and policy means to form a pattern of macroeconomic regulation and control. This order should have direct planning as its support, indirect

regulation as its main body, and market activities as its vehicle, and should be able to fully propel the development of productive forces. The establishment of an operating mechanism closely combining science and technology with the economy is beset by deep-seated problems. We definitely will encounter opposition and difficulties. We should further emancipate our minds, develop boldly, and continue to push reform forward with indomitable determination.

4. Strengthen Leadership, Create a Good Environment and Conditions for Scientific and Technological Work

The key to improving the work of scientific and technological associations and scientific and technological work lies in strengthening party leadership. Party and government leading comrades at all levels should enhance their awareness of science and technology, effectively strengthen and improve their leadership over scientific and technological work, and create a good environment and conditions for scientific and technological workers of all nationalities to develop their talents.

Scientific and technological associations are people's organizations led by the party. They serve as a bridge for the party and the government to maintain close ties with scientific and technological workers, and also serve as assistants to the party and the government for developing science and technology. Since the formation of scientific and technological associations in our region, scientific and technological workers organized by these associations have made great contributions to developing and building Xinjiang, developing Xinjiang's science and technology, and promoting the development of various undertakings in Xinjiang. In the new historical period, scientific and technological associations at all levels should continue to hold high the banners of patriotism and socialism; persist in rendering service to the advancement of science and technology, the invigoration of the economy, and the development of society; give full play to the role of science and technology in building a socialist material civilization; persist in publicizing the scientific spirit, methods, and approaches; and give full play to the role of science and technology in building a socialist spiritual civilization. It is necessary to enhance the initiative of scientific and technological workers of all nationalities, to unite with all the positive forces favorable to promoting scientific and technological advancement and invigorating Xinjiang's economy, and to develop scientific-technological cooperation and exchanges within the autonomous region, and between Xinjiang and the outside world. It is essential to strengthen organizational building in order to consolidate grassroots organizations. We should serve grassroots scientific and technological workers, and should strive to run scientific and technological associations as the homes of scientific and technological workers, so as to raise scientific and technological work in our region to a new level.

Developing science and technology requires not only the efforts of scientific and technological workers, but also

the participation of the the people of all nationalities throughout the region. If the people consciously enhance their awareness of the importance of science and technology, master scientific and technological knowledge, and participate in scientific and technological activities, they will become a great force stimulating the development of productive forces in society. Scientific and technological associations at all levels should make the spreading and popularization of science and technology their principal task, make use of their advantages, emancipate their minds, pluck up their spirits, and strive to their work well.

We should show concern for and cherish scientific and technological workers. Scientific and technological workers of all nationalities are the ones responsible for developing new production force. The overwhelming majority of them love the motherland, the people, the party, and socialism. They have tied their destiny to the cause of building socialism with Chinese characteristics. They are not only in the forward position to advance scientific and technological progress, but also are in the front line to master new science and technology. They are the valuable assets of society and an important force that can be trusted and relied upon by both the party and the people. In dealing with intellectuals, party committees and governments at all levels should trust them politically, use them freely in work, show concern for them, and take care of their living conditions. Meanwhile, party committees and governments should give them positive guidance, set strict demands on them, enable them to carry out the working class' historical mission in a better way, and guide them to take the road of integrating theory with practice and integrating themselves with the workers and peasants. Moreover, party committees and governments at all levels should do their best to create the necessary conditions for them to carry out their work, and help them solve practical difficulties in their work and daily life, so they can concentrate on scientific research work. It is necessary to vigorously publicize the exploits of scientific and technological workers, as well as their ideology and work style, vigorously publicize the important position and role of intellectuals in socialist modernization; and strive to create a good social mood in the autonomous region in which science and knowledge and talented people are respected. It is necessary to show concern for the growth of young and middle-aged scientific and technological workers, and to create the necessary conditions for them to come to the fore. We should encourage scientific and technological workers to engage in research with a practical scientific approach and to express their views freely. We

should trust scientific and technological workers and make friends with them with sincerity. It is necessary to upgrade the knowledge of scientific and technological workers by giving them an opportunity to continue their education.

Scientific and technological workers of all nationalities should pay attention to keeping track of, studying, and mastering new scientific and technological achievements and developments, both inside and outside the country; striving to upgrade their knowledge; making efforts to master and assimilate technologies and equipment introduced from other parts of the country and from abroad and to improve on them; constantly upgrading their specialized technical knowledge; and arming themselves with advanced scientific and technological knowledge. They should persist in improving themselves ideologically, foster noble scientific moral integrity and a good work style, seek truth from facts, take the interests of the whole into account, be humble and fond of studying, respect other comrades, be good at cooperation, carry forward the fine qualities of their scientific and technological predecessors, and foster new habits in the scientific and technological circles. They should go among the masses, study the reality, and serve as advisers to leaders by making valuable proposals and suggestions of scientific and technological value in connection with strategies for developing our region's economy and key construction projects. They should gear their work to economic construction, do their jobs well, give full play to their specialized knowledge, contribute their talent and wisdom, and make continuous contributions to speeding up the transformation of science and technology into material productive forces.

Delegates, comrades, and friends:

Developing and building Xinjiang, invigorating the economy of Xinjiang, and realizing the four modernizations drive constitute the common aspirations of the people of all nationalities in Xinjiang, and also are the objective for which our scientific and technological workers of all nationalities have been working for many years. Scientific and technological workers of all nationalities throughout the region should unite, pluck up their spirits, and strive to fulfill the great task of realizing the second-step strategic objective of our region.

I wish the conference complete success!

I wish all comrades good health and success in work!

Thank you.

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